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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | R | Paris, Wednesday, August 27, 1997 | No. 35,610

TODAY: STAGE — Pop, and Big Boots, Page 11

Death Toll Soars in Algeria's Endless Terror

Compiled by Our Staff From Dispatches

BENI ALI, Algeria — A total of 64 villagers were massacred in an early-morning attack Tuesday in the mountains here south of Algiers, raising to 181 the number of fatalities in a series of recent village massacres and a bomb attack in Algiers.

Witnesses who escaped the latest slaughter said that 30 women were among the victims in Beni Ali and that an additional four women were abducted by the assailants. One report said that the victims were beheaded and that their heads were put on their doorsteps.

It said people from the town and nearby communities were abandoning their homes and heading for Blida, a garrison town about 50 kilometers (30 miles) south of Algiers, a region that is a stronghold of Muslim fundamentalists. Beni Ali is in the mountains nine kilometers to the south.

The latest attack came a day after bomb blast in an Algiers market and only a few hours after the government reaffirmed its determination to stamp out terrorism.

The Chrea Mountain region where the latest attack took place, 60 kilometers south of Algiers, has been the scene of numerous previous massacres blamed on Islamic extremists.

Algeria has been gripped by a fundamentalist insurgency since the military intervened in January 1992 to cancel the second round of elections that the Islamic Salvation Front was poised to win. Some 60,000 people have died in the conflict in the last five years.

On Tuesday, the government spokesman, Habib Chawki Hamraoui, was cited by the official APS press agency as saying the government, supported by popular will "and the mobilization of all patriots, reiterates its commitment to pursue the struggle against terrorism."

"Patriots" is the name given to government-backed vigilante groups that try to defend villages against attacks by armed Islamic gangs.

Mr. Hamraoui called the recent massacres "inhuman acts," adding they had been carried out "to demoralize the population and damage the image of Algeria." He appealed to Algerians to be more vigilant against terror. *(AFP, Reuters)*

De Klerk Steps Off The Political Stage

Ex-President's Exit May Signal Big Shake-Up in National Party

By Suzanne Daley
New York Times Service

JOHANNESBURG — Former President F. W. de Klerk, who negotiated an end to apartheid but often seemed a lonely figure in recent years, trying without success to remake his National Party into a multiracial organization, announced Tuesday that he had had enough.

Mr. de Klerk said he was resigning as the head of the National Party, South Africa's leading opposition party, and retiring from politics altogether.

After quoting from a book by a former National Party leader, Dr. D. F. Malan, about the difficulties of determining when to leave public life, Mr. De Klerk said simply, "I know the time has come for me to go: I must now faithfully act accordingly."

Mr. de Klerk's departure is a major blow to the largely white-supported National Party and could well signal the beginning of dramatic political realignments here. Surveys have consistently showed that Mr. de Klerk is more popular than his ailing party. And without him, some political analysts say, many National Party voters will go elsewhere.

South Africa's political landscape is particularly volatile at the moment. President Nelson Mandela's African National Congress still dominates. But the opposition parties have been trying to reposition themselves for the 1999 elections, flirting with a range of partnerships and coalitions.

In addition, several well-known politicians both black and white are trying to start up new parties which could get a huge boost from National Party defectors.

Mr. de Klerk's resignation had been rumored for weeks. He is said to have become discouraged by the in-fighting over a vision for a new National Party and by the continual hammering he is taking from political opponents and the work of the country's Truth and Reconciliation Commission, which is investigating atrocities of the past.

Some analysts said they believed that Mr. de Klerk, 61, wanted to leave the political stage with his place in history — as the man who freed Mr. Mandela from jail and successfully oversaw a peaceful transition to a non-racial democracy — untarnished.

There was wide agreement, however, that the National Party, which instituted apartheid and ruled the South Africa with an iron fist for more than 40 years, would be hard hit by Mr. de Klerk's departure. The party has no-one else in its ranks who has anything resembling Mr. de Klerk's stature.

"The National Party has been politically dead for some time," said Andre du Toit, a political analyst with Cape Town University. "But the corpse takes a long time to decompose. It would be very difficult to recover from this

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Sam Kittner/The Associated Press

F. W. de Klerk announcing his decision to step down as party chief.

U.S. Grants Asylum to North Korean

Cairo Envoy Thought To Know Secrets on Missiles to Mideast

By Brian Knowlton
International Herald Tribune

WASHINGTON — The North Korean ambassador to Cairo, who is believed to have important information on his country's ballistic missile sales to Iran, Libya and Syria, has defected to the United States, and on Tuesday he was granted political asylum.

James P. Rubin, the State Department spokesman, confirmed the defection of Chang Sung Gil and said that his brother, Chang Seung Ho, had defected from the diplomatic mission in Paris, where he was commercial representative.

Ambassador Chang is the highest-ranking North Korean diplomat to defect to the United States, Mr. Rubin said.

His defection was the most important from the North since Hwang Jang Yop, the country's leading political philosopher, sought asylum at South Korea's Beijing mission in February.

In Paris, a North Korean diplomat branded the defectors as "criminals," saying they were fleeing an official investigation on suspicion of misuse of public funds.

He said the Pyongyang government would demand their return.

Mr. Rubin said that the ambassador's wife was also in the United States. But repeatedly citing the sensitivity of the case, he did not address reports that the ambassador had brought a child, and his brother's two children.

He would not say whether the defectors had earlier contacts with U.S. officials.

Nor would he say how they had arrived in the country, or where they were.

The confirmation of the defections came a day before U.S. and North Korean officials were to meet in New York for a third round of discussions on weapons proliferation, including North Korean missile sales to the Middle East, an area Mr. Chang reportedly knows in intimate detail.

Referring to the ambassador, Mr. Rubin said, "We have no reason to believe he has any direct connection to the ongoing missile negotiations."

He added that the lead U.S. negotiator at the talks, Robert Einhorn, a deputy assistant secretary of state, had received indications from North Korea that the talks would go ahead.

On Sept. 15, broader talks on alleviating tensions on the Korean Peninsula — involving the two Koreas, the United States and China — were scheduled, and Mr. Rubin said those discussions were also expected to proceed. "We don't believe this will have any

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Awad Awad/Agence France-Presse

ISRAELI TEAR GAS OVERCOMES GIRLS **— Palestinian schoolgirls covering their faces after Israeli soldiers accidentally fired tear gas Tuesday near their classrooms in Bethlehem. About 40 girls were treated for gas inhalation. Soldiers fired tear gas and rubber bullets to quell a riot by stone-throwing youths.**

A Chilling Chapter in Sweden's Past

From '35 to '76, Up to 60,000 People Considered 'Inferior' Were Sterilized

The Associated Press

STOCKHOLM — They were considered to be "inferior," flawed by bad eyesight, mental retardation or "undesirable" racial characteristics. To prevent their genetic characteristics from being passed on, they were sterilized — sometimes involuntarily.

Sweden had as many as 60,000 of its citizens sterilized from 1935 to 1976. Adults and children were singled out by doctors, school authorities or other officials and were pressured to consent to the procedure.

The idea behind this sterilization program had chilling similarities to Nazi ideas of racial superiority — and media reports on it now are prompting a sober self-examination.

The program stemmed from the pursuit of eugenics, a once-popular movement to improve humanity by controlling genetic factors in reproduction.

Although Sweden's sterilization program was a matter of record, it received little public attention and was ignored in most reference books. A recent series about the program in the respected newspaper Dagens Nyheter, however, has stirred national debate.

Especially shocking to many Swedes is the fact that the law allowing the sterilizations wasn't overturned until 1976, three decades after the human-engineering policies of the Nazis collapsed in the rubble of the Third Reich.

The sterilizations focused on a wide range of people, from those of mixed race to unmarried mothers with several children. "Grounds for recommending sterilization: unmistakable Gypsy features, psychopathy, vagabond life," reads one document cited by Dagens Nyheter.

Maria Nordin, 72, told the newspaper that she had been sterilized in 1943

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Illegals Use Chunnel, and Loophole, to Slip Into U.K.

By William D. Montal
Los Angeles Times

LONDON — Along with the tourists and traders speeding in air-conditioned comfort through the Channel Tunnel linking Britain and the rest of Europe, increasing numbers of undocumented immigrants are arriving in London seeking political asylum.

The traffic is orchestrated, British officials say, by legally savvy and technologically sophisticated people movers — a tiny European version of the "coyotes" who work the Rio Grande.

Alarmed at the growing traffic, Britain and France began scrambling last week to stop the flow — mostly from developing nations — made possible by an embarrassing loophole in regulations governing rail travel through the 50-kilometer tunnel.

Gare du Nord, the Paris terminus of the cross-channel Eurostar train, is the smugglers' den, officials say. There, Africans, Asians and East Europeans — who typically pay thousands of dollars to organizers for illegal passage to Britain — board Eurostar trains bound for London.

Until French police began random checks last week, there were no document controls at the Gare du Nord. It has been easy for illegal travelers to embark in Paris and "lose" their nonexistent documents on the train.

At London's Waterloo Station, the travelers simply announce to British immigration officers that they have no papers and are fleeing persecution in their homeland. The claims are often bogus, but under British law the mere assertion of persecution guarantees a four-month stay and the prospect of at least a year more of subsidized living as legal appeals are pursued.

"Every criminal gang in Europe knows that Eurostar is an open door to London," said John Tincey, an immi-

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One Sign of Optimism in Moscow — A Baby Boom

By Michael Specter
New York Times Service

MOSCOW — Five years ago, with the Russian economy in a deep depression and people overcome by fear and confusion, Lena Volkovskaya made a solemn vow to herself.

"I promised I would never have children," the 32-year-old lawyer recalled recently. "My friends were all the same way. There was no money here and no future here. It seemed very scary to me. We all decided that you would have to be crazy to bring a baby into this world."

Miss Volkovskaya laughed softly and glanced at her stomach. In about 10 hours she would give birth to her first child, a boy. And if she is crazy she is not alone, at least in Moscow. For the first time in a decade — a time when Russia plunged into the most serious demographic crisis in the modern history of industrialized nations — Moscow seems to be in the midst of a baby boom.

The figures are preliminary, much of the evidence is anecdotal, and the emerging sense of optimism in Moscow may not translate to other parts of Russia. Still, taken with other small but clear economic indicators — a rise in the standard of living, more job opportunities, and an apparent end to the nation's disastrous industrial decline — even a small baby boom here would be a solid sign of optimism from women who have refused to give birth for years.

"You hear it from so many of the women who come in here," said Alla Kalugina, a gynecologist at the Center for Family Planning and Reproduction, a spotless, modern hospital in the center of Moscow.

Last year, the center averaged eight births every 24 hours. So far this year the average has risen to 20.

"People are feeling better about their lives and

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AGENDA

Hard-Liners Strip Plavsic of Army Control

PALE, Bosnia-Herzegovina (AFP) — The hard-line Bosnian Serb Parliament on Tuesday stripped President Biljana Plavsic of exclusive authority over the army. It also urged that local elections scheduled for next month be delayed. Meanwhile, four of the army's top eight generals showed support for Mrs. Plavsic in her attempt to wrest power from Radovan Karadzic. Page 6.

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The Long-Running Battle for Narita

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Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

The Dollar

New York	Tuesday @ 4 P.M.	previous close
DM	1.7975	1.8193
Pound	1.6125	1.6065
Yen	118.135	118.745
FF	6.055	6.1299

The Dow

	Tuesday close	previous close
-77.35	7782.22	7859.57

S&P 500

change	Tuesday @ 4 P.M.	previous close
-7.13	913.02	920.15

Hilary Smith/The Washington Post

A Beijing resident walking past demolished houses that are increasingly being replaced by office towers.

Beijing Falls to a Golden Horde

Real Estate Developers Tearing Down Huge Central Sections

By Steven Mufson
Washington Post Service

BEIJING — For centuries, the architecture of old Beijing has withstood rebels and invaders, warlords and imperialist powers, Communist central planners and Red Guards.

But what those waves of people failed to destroy is now succumbing to a far more powerful force: real estate developers.

Giant swaths of central Beijing — once lined with single-story courtyard houses, sloping tile roofs and narrow lanes of gray brick — are being demolished to make way for the kind of look-alike high-rise office towers, garish shopping arcades and hotels that have become common worldwide. For the most part, the new construction is hasty and poor in quality; the builders' favorite facing material resembles white bathroom tile, and windows are often tinted metallic blue.

In the last two years, the destruction of old Beijing has been picking up speed.

For the Financial Street development near the Forbidden City, more than 20,000 homes were razed. Along the Second Ring Road where the city walls once stood, whole blocks have been cleared to make way for commercial office buildings, stores and a new Foreign Ministry building.

Plans already approved would wipe out 60 percent of the old structures in one of the city's northwestern sections. And a Hong Kong tycoon, Li Kaishing, has had a hole the size of a baseball stadium dug in the heart of the city, where he will erect a high-rise office and retail complex known as Oriental Plaza.

"We're just destroying the city," said Lu Junhua, a professor of architecture at prestigious Qinghua University. "It's not a war. It's not a revolution. It's construction."

What is being lost is more than old bricks and mortar, it is the very character of old Beijing. In a vast and autocratic nation, Beijing's architecture gave its citizens homes, courtyards and streets on a human scale.

"The city's character before was horizontal," said Zhang Kaiji, former chief architect of the Beijing Institute of Architecture. "Now it's been ruined by high-rises. It's become a third-class Hong Kong."

Beijing, with its 13 million residents, has long been a city of walls within walls. Within the Great Wall spanning the northern border were concentric

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AT&T

Last of the Diehard Protesters / **A 2d Runway by 2000?**

Narita Airport Nibbling Away at Farmers

By Sheryl WuDunn
New York Times Service

NARITA, Japan — Koji Kitahara is a slight, gray-haired man with a soft-spoken manner, but his 75 years have not stolen the steeliness from his eyes or the fire from his lifetime battle: his dream to tear down Narita airport, Japan's main link to the world.

"I mean stopping the airplanes, tearing down the buildings and removing the runways," Mr. Kitahara said.

Hardly anyone supports his demands, and the government is not about to scrap an airport that moves 25 million passengers into and out of Japan each year. But as Mr. Kitahara sits among the piles of futons that he sells in a shop here, it becomes clear that he is the kind of man who can bring a government to its knees — and he and a handful of farmers have done just that.

For 32 years, they have blocked the completion of the airport by refusing to give up their land to the government. Most of the airport has been built around their small farming plots totaling about 11 acres (4.5 hectares) — less than 1 percent of the area planned for the airport. But Narita, the largest air hub in Asia, is confined to a single runway because a few patches of onions, potatoes, and Japanese vegetables are growing smack in the middle of where planes on a second runway would take off.

A few days ago, the airport moved one step closer to completion as two families agreed to talk with the government about selling and renting their land for use by the airport.

MR. KITAHARA is a member of one of four families that are holding out, and he is probably the most stubborn. Over the years, the government has tried force, persuasion, temptation and harassment to get the land.

The government has even put down strips of the second runway so that some day, when the remaining fields are available, the final pieces can be put in place quickly.

Mr. Kitahara is not the only one who dislikes Narita airport. Many travelers would be ready to dismantle it, for it is a sprawling and chaotic combination of terminals that are bursting at the seams. It is so distant that it takes many people two hours to get to Narita from their homes in Tokyo, and a taxi fare to the airport from Tokyo can run to $300.

"I'm a research engineer, but I just spent an hour trying to find this line," said Masaki Yano, as he stood in a line — just inside the main door — that would allow him and his baggage to proceed to the first ticket check-in counter and then through a process that would ultimately take him to Los Angeles for vacation.

"The design is so bad," he said. "This space is used for people getting in line, at the same time it's the space for the corridor."

Fumio Ishii/The New York Times

Kuniko Ogawa and her husband, Kuniaki, standing in their vegetable field which skirts Narita airport, have agreed to negotiate with the government.

Still, one of the biggest problems is that Narita, the world's sixth-largest airport in terms of passenger traffic, has just one runway. In a land famed for consensus and harmony, it seems odd at first that a handful of farming families would create so much inconvenience.

But consensus in Japan does not fall from the skies. It is the product of hard work, like endless meetings at which nothing is decided or bleary drinking sessions after work when sensitive issues are never directly discussed.

Many experts say the conflict with the farmers goes back to the beginning, when the government did not try to build consensus but simply announced in 1966 that it would build the airport on what was then farmland.

The government had every legal right to expropriate the land, but it also assumed that farmers would be proud and patriotic enough to give up their land for the new airport. So it boldly unveiled the blueprint without consulting the 360 farming families who owned the land.

That turned out to be a big mistake. Japan was a political hotbed at the time, and radical protesters seized on the issue to mount a major attack against the conservative government. Fierce clashes occurred when the authorities tried to take over the land: gasoline bombs were hurled in the air, and several people on both sides were killed over the years.

The government set up riot police checkpoints to track the comings and goings of the farming families, and this hardened their opposition even more. Political supporters moved onto the land, and thousands of sympathizers across the nation purchased tiny symbolic patches of the fields to make the land more unwieldy for the government to seize.

THE COSTS of those earlier battles affect travelers to Narita even now. When passengers arrive by train, bus or car, they are all checked for identification, and riot-equipped police officers are still stationed at the airport to guard against protesters.

The government has apologized to the families and has officially given up the effort to forcibly take their land. Perhaps as a result, the anger and the opposition of the farmers seems to be abating.

Kuniaki Ogawa, one of the two cousins who finally agreed this week to negotiate with the government, hinted that his children did not want to pick up the battle.

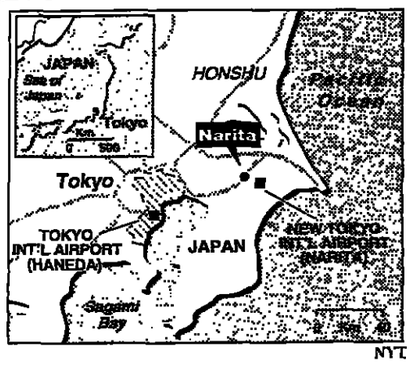
"Rather than leave this to my children, I wanted to put an end to this problem and solve it within my generation," said Mr. Ogawa, 56, a farmer whose sun-weathered skin and quiet demeanor belie the anger that took 32 years to fade. "Finally, I feel relief."

The New Tokyo International Airport Authority is mounting another effort to build a second runway by 2000 and to complete the renovation of part of the airport a few years later.

"I will persuade the three farming families," said Susumu Yamamoto, the official in charge of purchasing land for the airport authority. As for Mr. Kitahara, whose land the airport wants but says is not essential for completing the second runway, Mr. Yamamoto sighed and then shrugged. "His land is not on the runway," he said. "And anyway, by the time the runway opens, I will have persuaded him."

Fumio Ishii/The New York Times

Koji Kitahara, 75, is probably the most stubborn of the remaining farmers who have been blocking the completion of Narita airport for the last 32 years.



NYT

Mir Restores Oxygen Units, Then Solar Panels Balk

Reuters

MOSCOW — The crew members of the ailing Russian space station Mir have fixed their oxygen-generating systems after a brief time without fresh air, but they hit a new snag Tuesday while trying to aim the solar panels they repaired last week, officials said.

The U.S. space agency NASA said Monday that Mir's two working oxygen systems — its Elektron generator and a backup system of oxygen candles — had briefly failed, leaving the crew with just a few days' supply of bottled oxygen.

Russian Mission Control officials first denied that there had been any problem, then on Tuesday played it down, saying the crew — two Russians and an American — had solved it in an hour.

"The situation is as follows — the Elektron is working, the system which uses candles is working, and one Elektron which is in Kvant-2 is not working because there was no electricity there," said the deputy flight director, Viktor Blagov.

The older backup Elektron-2 oxygen system in the Kvant-2 module has been off since June 25, when the Spektr module was punctured in a collision with a supply ship, causing a power loss.

The crew may be able to turn on that system as a result of wiring repairs they made aimed at restoring most of the energy supply. "Yesterday, we turned on Kvant-2," Mr. Blagov said, "and now we will work on Elektron-2."

Another problem loomed, however, when NASA reported that the crew members were unable to point Spektr's solar panels toward the sun.

"Commands sent to the solar arrays, to try to slew, or move them into a better orientation to face the sun, were not successful," the officials said.

A NASA physicist, Michael Foale, 40, is on Mir with two Russians, Anatoli Solovyov, 49, the commander, and a flight engineer, Pavel Vinogradov, 43.

Four days ago, the crew reconnected cables inside Spektr, linking its solar panels with the mother ship. But if the solar panels do not face the sun, they generate less power than Mir needs.

Mir has run on 60 percent of its usual power since the collision. Officials say if Spektr's three working solar panels — a fourth was smashed in the collision — can be made to work properly they will increase this level to 90 percent.

"We can generate some power from the solar arrays even if they are not pointed in the best possible direction," said Sergei Pouzanov, a member of the NASA team at Mission Control.

"At this point, we cannot say that it is not functional because it will be some time before they figure out what was wrong with the solar array control system," he said. "It may be the motor, it may be the wrong commands to the computer, it may be a broken line."

The Russian flight director, Vladimir Solovyov, said that Spektr's solar panels were transmitting power but that it would take several days before it was known just how much energy Mir would gain.

In preparation, Mr. Vinogradov was mopping up moisture that formed in Kristall after it was switched off.

President Boris Yeltsin said during a visit to Saratov that the repairs had revived Mir. "There is nothing tragic there," he said. "In fact, the lads work really well, and the American specialists agreed with us on that. They thought the station was finished."

Basques Hope Sleek New Art Museum Will Change Their Image

By Anne Swardson
Washington Post Service

BILBAO, Spain — This city in the heart of Basque country, known around the world mostly for acts of terrorism by separatists, will take its place on the world stage in October for a nonviolent reason.

It is then that an American-designed art museum of the highest architectural order will open its doors. Paid for entirely with local funds, the $100 million structure is a symbol of Basque regional power and independence that its sponsors hope will attract visitors from all over.

But it turns out that the museum and the terrorism are not unrelated. In a city that is home to half of Spain's Basques, the museum also is the cornerstone of a broad-based campaign against the violence that has cost nearly 800 lives in 30 years.

It is a campaign focused not on police and guns, but on culture and investment.

Bilbao and all of the Basque country are undergoing a $1-billion-plus redevelopment designed to undercut the separatists by allowing mainstream Basque nationalist pride to flourish in the sunlight.

The intent of both Basque politicians and the government of Spain is clear: to use development and prosperity to nourish nationalism in its most peaceful form and, in the process, to marginalize and weaken the violent separatist movement known by its Basque initials, ETA.

Independence from Spain will hold less allure, the theory goes, if Basques govern their own fate — and hold their own purse strings.

If the effort succeeds, it may offer lessons to other developed nations with angry ethnic minorities. If it fails, more people will die.

"We think culture will help combat the violence," said the deputy mayor of Bilbao, Ibon Areso. "It's not the only goal of the museum, but it's important. More and more, the cultural and economic aspects are related. If we can raise the economic level, young people will be less attracted to violence."

Last week was fiesta week in Bilbao, and signs of the redevelopment were everywhere. Revelers could take the new subway — modeled on Metro in Washington — to the bullfights, walk across gleaming new pedestrian bridges to the outdoor concerts, look down the Bilbao River from the fireworks and see the gleaming facades of the museum.

An airport is under construction, and a neighboring high-tech business corridor is attracting foreign and Spanish companies. A convention center that will also house the local orchestra is rising from the shells of broken-down factories on the riverbanks and, farther along the river, a library and cultural center is being built.

The entire port of Bilbao, on which the economy was once based, is being moved downriver and offshore, at a cost of $258 million.

The regional Parliament just approved a sweeping plan for urban renewal designed to revitalize the decayed riverfront along its entire 16-kilometer (10-mile) length from Bilbao to the Atlantic, placing office, commercial and institutional space beside the river and even in it.

High-speed rail connections to Madrid and Paris are planned, as is a cleaning of the foul-smelling river.

Such grand projects often founder on financing, and some of these may not come to pass. But the Basque country has both the political clout to get money from Madrid and the European Union in Brussels and the autonomy to raise its own revenue.

"There is a collective desire to transform the city of Bilbao," said Alfonso Vegara, director of the Madrid architectural and planning firm that created the regional plan.

The jewel of the project to transform the city is the museum. Designed by a California architect, Frank Gehry, its vaguely maritime, vaguely petaled shapes dominate the riverbank.

Its gray titanium panels reflect the industrial history of the city. Its towering glass panels are open to the river view and its towers are made of local limestone. More than 90 percent of the work was done by Basque companies.

Local and regional officials hope the museum will alter the image of this run-down industrial city and become a symbol of rebirth that will attract tourists and businesses and spur growth. It was built in collaboration with the New York-based Guggenheim Foundation, which will manage the museum and display some of its vast collection of 20th-century art there. It will also have a sizable component of Basque art.

With much fiscal sacrifice, Basque regional governments are paying the entire price. The Spanish national government is not involved.

"They're reaching out with this building to the global society," Mr. Gehry said.

TRAVEL UPDATE

Athens Cracks Down On Drunken Driving

ATHENS — Seeking to halt an increase in alcohol-related road accidents, the authorities in Athens have begun a crackdown that includes stiff fines, jail sentences and car confiscations.

The decision to impound vehicles was made by a court after a public outcry when two women were killed by a drunken driver Thursday as they crossed a street.

Greece has one of the worst records of traffic accidents in Europe, with an average of six people killed each day, officials say. *(AP)*

Tunisian Tourism Up

TUNIS — Tunisia's earnings from tourism, the country's main source of hard currency, amounted to 1.413 billion dinars ($1.229 billion) in 1996, up 6.8 percent from 1.323 billion dinars in 1995, official statistics showed Tuesday.

The number of tourists was 3.885 million, down 5.7 percent from 4.120 million the previous year, a Central Bank report said. *(Reuters)*

A total of 393 people were killed on Spanish roads during the first three weeks of August, a 17.7 percent increase over the same period last year, the Department of Transport said Tuesday. Since Jan. 1, Spanish road accidents have taken 2,617 lives. *(AFP)*

Taiwan's privately run EVA Airways Corp. signed an agreement Tuesday with Continental Airlines that is aimed at jointly expanding air markets. EVA's U.S. routes will be connected with Continental's, starting early next year, subject to government approval. The carriers will also launch joint marketing campaigns. *(AFP)*

Correction

A caption on the Americas Page in Tuesday's editions misidentified a sinking Mississippi River steamboat. It was the Belle of Louisville.

WEATHER

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	23/73	16/61 pc	23/73	16/61 s
Amsterdam	24/75	18/64 sh	20/68	11/52 r
Ankara	28/73	8/46 pc	27/80	10/50 pc
Athens	29/84	21/70 s	27/80	21/70 c
Barcelona	26/79	20/68 pc	25/77	14/57 pc
Belgrade	29/84	16/61 pc	30/86	19/66 s
Berlin	29/84	19/66 pc	30/86	19/66 pc
Brussels	23/73	16/61 r	21/70	9/48 r
Budapest	27/80	18/64 c	31/88	19/66 pc
Copenhagen	27/80	19/66 pc	28/82	19/66 c
Costa Del Sol	26/79	14/57 s	24/75	17/62 pc
Dublin	19/66	12/53 r	18/64	9/48 r
Edinburgh	19/66	12/53 r	18/64	11/52 c
Florence	30/86	19/64 pc	31/88	17/62 pc
Frankfurt	29/84	17/62 pc	30/86	18/64 pc
Geneva	28/82	17/62 c	21/70	9/48 r
Helsinki	25/77	12/53 pc	25/77	17/62 pc
Istanbul	27/80	18/64 pc	29/84	20/68 pc
Kiev	21/70	14/57 r	20/68	14/57 r
Las Palmas	25/77	18/64 s	24/75	19/66 s
Lisbon	21/70	14/57 r	26/68	15/59 pc
London	21/70	12/53 r	23/73	11/52 pc
Madrid	29/82	14/57 pc	26/79	11/52 s
Mallorca	30/86	18/64 pc	30/86	16/61 r
Milan	31/88	18/64 pc	29/84	16/61 r
Moscow	25/77	10/61 pc	24/75	15/59 pc
Munich	25/77	14/57 sh	27/80	14/57 c
Nice	28/82	22/71 pc	26/79	17/62 sh
Oslo	22/71	18/64 r	24/75	18/64 r
Paris	20/68	15/59 r	19/66	9/48 pc
Prague	29/84	18/61 s	31/88	17/62 pc
Reykjavik	14/57	11/52 pc	13/55	10/50 r
Riga	27/80	18/64 pc	27/80	19/66 pc
Rome	27/80	18/64 pc	29/84	19/66 s
St Petersburg	20/75	15/59 s	20/75	15/59 pc
Stockholm	25/77	18/64 pc	26/79	18/64 pc
Strasbourg	27/80	19/66 c	25/77	13/55 sh
Tallinn	25/77	18/64 pc	26/79	18/64 pc
Tbilisi	30/86	18/64 pc	29/84	17/62 c
Venice	28/82	18/64 pc	29/84	18/64 pc
Vienna	28/82	18/64 s	31/88	19/66 s
Warsaw	26/79	14/57 c	26/79	16/61 pc
Zurich	26/79	17/62 c	26/79	13/55 r

Middle East

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Abu Dhabi	44/111	26/79 s	43/109	26/79 s
Beirut	29/79	19/66 s	28/82	21/70 s
Cairo	32/89	17/62 s	33/91	18/64 s
Damascus	32/89	11/52 s	34/93	13/55 c
Jerusalem	27/80	13/55 s	30/86	16/61 s
Luxor	40/104	17/62 s	41/106	19/66 s
Riyadh	39/102	23/73 s	41/106	23/73 s

Forecast for Thursday through Saturday, as provided by AccuWeather.

North America
Sunny and hot from the southern and central Plains into the Southwest, but thunderstorms over the northern Rockies Thursday will rumble across the northern Plains Friday and may reach Chicago Saturday. Showers and thunderstorms could bring heavy downpours to New England.

Europe
Windy with showers across Ireland and Scotland Thursday through Saturday but London and Paris will be pleasant with some sunshine each day. Showers and thunderstorms will bring soaking rain across Germany Thursday, then move into Poland, Hungary and Belarus Friday and Saturday.

Asia
Typhoon Amber will be near Taiwan Thursday with flooding rain, damaging winds and high seas with coastal flooding. Amber could reach the coast of China by Saturday. Sunny, hot and dry in Beijing and over most of northern China. Partly sunny, warm and humid in Seoul and Tokyo.

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	16/61	8/46 pc	17/62	9/48 pc
Atlanta	32/89	21/70 pc	33/91	20/68 pc
Boston	24/75	17/62 pc	22/71	15/59 t
Chicago	27/80	19/66 pc	29/84	17/62 s
Dallas	34/93	22/71 s	34/93	22/71 pc
Denver	33/91	18/61 s	33/91	14/57 s
Detroit	27/80	16/61 pc	28/82	18/64 pc
Honolulu	31/88	23/73 pc	32/89	24/75 pc
Houston	33/91	21/70 pc	33/91	22/71 pc
Los Angeles	30/86	16/61 s	30/86	18/64 pc
Miami	32/89	24/75 t	33/91	23/73 pc
Minneapolis	28/82	18/64 t	28/82	18/64 t
Montreal	23/73	17/62 r	22/71	13/55 t
Nassau	30/86	23/73 s	32/89	24/75 pc
New York	27/80	20/68 pc	27/80	18/64 t
Orlando	32/89	23/73 t	33/91	22/71 pc
Phoenix	41/106	27/80 s	41/106	27/80 s
San Fran	24/75	13/55 pc	23/73	14/57 pc
Seattle	21/70	12/53 sh	20/68	12/53 sh
Toronto	25/77	12/53 t	23/73	11/52 sh
Vancouver	19/59	9/48 sh	16/61	8/46 sh
Washington	29/84	20/68 pc	30/86	19/66 t

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	33/91	16/61 pc	29/84	12/53 s
Bali	30/86	21/70 s	30/86	21/70 s
Bangkok	31/88	24/75 r	31/88	25/77 r
Beijing	35/95	22/71 s	35/95	25/77 pc
Bombay	29/84	24/75 r	29/84	24/75 sh
Calcutta	31/88	24/75 sh	31/88	24/75 c
Chiang Mai	32/89	23/73 r	29/84	23/73 r
Colombo	29/82	25/77 r	29/84	25/77 r
Hanoi	33/91	26/79 pc	32/89	26/79 r
Ho Chi Minh	32/89	24/75 t	31/88	25/77 r
Hong Kong	29/84	25/77 r	29/84	24/75 r
Islamabad	29/84	20/68 t	31/88	23/73 t
Jakarta	32/89	23/73 pc	31/88	23/73 pc
Karachi	34/93	25/77 s	32/89	25/77 s
K. Lumpur	32/89	23/73 pc	32/89	23/73 pc
K. Kinabalu	32/89	23/73 pc	31/88	23/73 pc
Manila	31/88	23/73 r	30/86	23/73 r
New Delhi	31/88	24/75 r	32/89	24/75 sh
Phnom Penh	32/89	24/75 sh	31/88	24/75 r
Phuket	31/88	24/75 r	31/88	25/77 r
Rangoon	29/84	23/73 r	28/82	24/75 t
Seoul	31/88	20/68 pc	31/88	19/66 s
Shanghai	30/86	23/73 c	31/88	23/73 pc
Singapore	31/88	22/71 pc	31/88	22/71 pc
Taipei	31/88	23/73 pc	31/88	22/71 pc
Tokyo	28/82	23/73 pc	28/82	24/75 pc
Vientiane	29/84	23/73 t	29/84	23/73 t

Africa

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algiers	31/88	17/62 s	31/88	17/62 s
Cape Town	16/61	9/48 c	17/62	12/53 pc
Casablanca	21/70	13/55 s	21/70	17/62 s
Harare	23/73	8/46 s	24/75	11/52 s
Lagos	28/82	22/71 pc	27/80	22/71 c
Nairobi	24/75	10/50 c	28/77	11/52 c
Tunis	34/93	21/70 pc	37/98	21/70 s

Latin America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Buenos Aires	26/79	16/61 pc	25/77	17/62 pc
Caracas	30/86	22/71 pc	28/82	22/71 pc
Lima	22/71	17/62 c	21/70	17/62 s
Mexico City	24/75	14/57 c	21/70	12/55 c
Rio de Janeiro	23/73	16/61 pc	22/71	17/62 pc
Santiago	25/77	8/46 s	22/71	11/52 s

Oceania

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Auckland	14/57	9/48 pc	12/53	8/43 sh
Sydney	18/64	9/48 s	19/66	10/50 s

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NORWAY	NOK	832	390	53%
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هكذا من الأصل

Mir Restores Oxygen Unit; Then Solar Panels Balk

THE AMERICAS

Transport Workers Find U.S. a Drug Sieve

By Mireya Navarro
New York Times Service

MIAMI — The three wooden cargo crates dropped off by a courier at the international airport in San Juan, Puerto Rico, for a Delta Air Lines flight to New York City looked harmless.

But the nervous behavior of the courier raised suspicions. Law-enforcement officials looked inside the crates and found 1,000 pounds (about 450 kilograms) of cocaine.

The shipment was part of an illicit operation over three to four years in which, federal officials said, thousands of pounds of Colombian cocaine were hidden in suitcases and cargo crates aboard Delta flights from Puerto Rico and unloaded for nationwide U.S. distribution.

What made the operation successful for so long, the government said, was that it was run with the help of Delta employees who used fake airline tags and bypassed check-in and security procedures by hauling the illegal loads through the airport restaurant and bar.

This episode illustrates what federal law-enforcement officials said has become an alarming trend across the country: increasing involvement of airport and harbor workers in drug smuggling.

In the fiscal year starting last October, figures from the U.S. Customs Service show that 148 commercial cargo employees at airports and seaports have been arrested nationwide, accused of helping smuggle drugs in aircraft compartments and ship cargo containers.

Although arrest figures for other years were not available for comparison, officials said such statistics told only part of the story. Insiders are often able to avoid arrest because they know when customs inspections of aircraft and containerized cargo will occur, and they can simply not pick up the drugs.

Although only small numbers of airport and harbor employees are involved in drug smuggling, their impact is great, federal officials said, because the workers had another insider's advantage — access to obscure hiding places in toilets, cockpits and passenger cabins in aircraft and in cargo containers aboard ships.

Officials said the employees come from virtually every segment of the work force — baggage handlers, caterers, cleaners, ticket-counter agents, mechanics and flight crews at airports, and longshoremen, freight checkers, and ship crews at ports.

Andrew Itkoff/The New York Times

Customs officers checking cartons aboard a truck leaving the port of Miami, a favorite route of drug runners.

Helping pass a few pounds of the contraband can earn a worker an additional $3,000 to $5,000.

Felix Jimenez, the Drug Enforcement Administration's special agent in charge for the Caribbean in San Juan, said: "A guy who's making $5 an hour suddenly is making $400,000 a year by doing this."

"It attacks the integrity of the system," Raphael Lopez, the Customs Service special agent in charge in Miami, said of what law-enforcement officials call "internal conspiracies." An employee is "someone who is trusted, and that trust is violated."

The problem has been growing at major ports as aggressive law enforcement pushes traffickers to find ingenious methods of concealment, Customs Service officials said.

But, they added, it is particularly acute in San Juan and Miami, major gateways for illegal drugs because of their proximity to South America. Airport and harbor workers are suspected in most cases in which drugs are seized at the Port of Miami and Miami International Airport, officials said.

At the Port of Miami, where customs inspectors seize more drugs in cargo containers than at any other port in the country, customs officials say part of the problem is lax security and the lack of criminal background checks of employees that are standard in some other ports around the country, such as the Port of New York-New Jersey.

In a report prepared for congressional hearings last month on efforts to stop the flow of drugs into the United States, Representative John Mica, Republican from central Florida, called security at the port "weak, ineffective, and overburdened."

Dock and warehouse workers have such free rein around the port, Mr. Mica and Customs Service inspectors said, that employees have been known to tamper with surveillance cameras, drive around to pick up drugs and leave. There are no checkpoints.

But Arthur Coffey, president of the International Longshoremen's Association Local 1922 here, blamed "a shortage of manpower, budget cuts, and ineffective leadership" at the Customs Service.

POLITICAL NOTES

Christian Coalition Outlines Its Agenda

WASHINGTON — When Republican leaders return to Washington next week they will be greeted with a friendly but firm nudge from a constituency they cannot afford to avoid. The message is simple: Now that the budget is balanced, it's time to move on to moral issues.

In his debut as president of the Christian Coalition, Don Hodel spelled out Tuesday a legislative agenda that revives some recent battles and takes up a new one. Highest on the list is legislation aimed at prohibiting religious persecution worldwide, a clear indication that the coalition continues to look beyond its early mission of fighting abortion.

Mr. Hodel's announcement is also intended to remind Washington that the Christian Coalition, with its 1.9 million members, remains influential despite the impending departure of its director, Ralph Reed.

"We are very clearly sending a signal," Arne Owens, a spokesman, said.

The priorities include pending legislation and general policy suggestions, such as reducing tax rates across the board and giving local officials more control over education.

Two of the five items deal with religious freedom. The coalition will push for legislation that would impose sanctions on foreign governments that do not permit free religious expression. A constitutional amendment being sponsored by Representative Ernest Istook, Republican of Oklahoma, would permit school prayer and other religious expression on public property. *(WP)*

Summer Reading For a Beach Nap

WASHINGTON — For the beachgoer who wants a different kind of book this month, why not sample the summer offerings of the Government Printing Office? Here's an eclectic range of topics with catchy titles at affordable prices. The GPO listed "International Certificate of Vaccination, Nov. 1991," for $1, its leading seller at the end of June. No. 2 was "Federal Benefits for Veterans and Dependents, 1997," at $5.50.

The fourth best selling book was "The Blair House Report," which "contains the instructions given by President Clinton and Vice President Gore to the new cabinet," according to the catalogue blurb, and costs $3.

The surprise at No. 9, "Questions and Answers About Electric Magnetic Field Associated With the Use of Electric Power," for $3, pushed "Code of Federal Regulations, Title 10," at $39, into 10th place. *(WP)*

Quote/Unquote

Newt Gingrich, the House speaker, avoiding a straight answer to the question of what he was doing in New Hampshire, site of the first presidential primary in 2000: "There are a lot of good reasons to come to New Hampshire; a couple of years ago we came to look for moose." *(NYT)*

Away From Politics

• **Most parents with children in public schools** support using tax money to send students to private and parochial schools, according to a Gallup survey. *(AP)*

• **Investigators ordered more Boeing 747** fuel tank explosions as they tried to learn what downed TWA Flight 800 in 1996. *(AP)*

• **Regulators have begun a safety review** of Union Pacific in the wake of three accidents that killed seven people since June. *(AP)*

• **A firefighter who gave photo blueprints of an FBI complex** to a militia leader in West Virginia has been convicted under a new federal anti-terrorism law. *(AP)*

A Tarnished Gingrich Tours Nation to Revive His 'Indiana Jones' Image

Joel Page/The Associated Press

The House speaker appears to be getting little benefit from budget accord.

By John E. Yang
Washington Post Service

MANCHESTER, New Hampshire — As Newt Gingrich travels around the United States on his 10-state, 13-city "redemption tour," the Georgia Republican is often greeted with the theme from "Raiders of the Lost Ark," the movie about a daredevil archaeology professor who narrowly escapes disaster after disaster only to triumph in the last reel.

It is an image that surely appeals to Mr. Gingrich, speaker of the House of Representatives and a former college instructor whose childhood dream was to become a paleontologist and who has dodged his fair share of runaway boulders of late.

"It is true that my life on some days sometimes seems adventurous enough to be an Indiana Jones movie," Mr. Gingrich said last week to Jay Leno on "The Tonight Show."

But if a goal of this post-budget-deal trek from the beaches of California to the forests of New Hampshire to the Rocky Mountains is a rehabilitation of his tarnished image — perhaps in hopes of making a run for the presidency in 2000 — it is not going to be easy, as his poll numbers continue to indicate, at least not without some of Steven Spielberg's special effects.

It will take a "long, long time" to repair his image, said John Pitney Jr., a Claremont McKenna College political scientist. "He's as unpopular as an American can get without being a puppy strangler."

And even among conservatives, he continues to have problems.

Concord, where he met about two dozen teenage drug counselors and spoke at a fund-raising reception for two Republican representatives, is the midpoint of a trip that was to have been part victory lap for the tanned, newly slimmed Mr. Gingrich after linking arms with President Bill Clinton on a deal intended to balance the budget and cut taxes.

But Mr. Gingrich appears to be getting little benefit from the budget accord, which advisers had hoped would replace the image of the speaker as the belligerent who twice shut down the government in 1995 with that of the leader who gets things done.

While public approval of Congress and Mr. Clinton are at new heights, Mr. Gingrich's numbers remain consistently low in a variety of polls. Just 30 percent of those questioned by the Pew Center for the People and the Press this month said they had a favorable opinion of him.

"The public just doesn't like him, so they're not going to give him credit whether or not he deserves it," said a political analyst, Stuart Rothenberg.

On tour, the speaker finds himself defending the budget deal against conservative criticism that it gave too much new spending to Mr. Clinton while not doing enough to trim the size of the federal government.

At a Republican conference in Indianapolis last week, former Vice President Dan Quayle followed Mr. Gingrich and got a big response when he heaped scorn on the budget package, declaring that "the taxpayer once again got the shaft."

Mr. Gingrich, to burnish his image as a responsible leader, has stressed working with Mr. Clinton.

While this shift reflects the fact that Mr. Gingrich's strongest support among House Republicans now comes from moderates, there are analysts who speculate that it is also part of an effort to position himself for a possible presidential run, something the 54-year-old speaker has not ruled out.

They argue it would be a graceful way to extricate himself from his troubles in the House.

Further, House rules bar him from serving as speaker beyond Jan. 3, 2003, and he has indicated he would not care to remain in the House as a rank-and-filer.

And even if he did not win his party's presidential nomination, he could command the loyalty of enough party activists to help determine who did.

"What does he have to lose?" remarked Professor Pitney, the Claremont McKenna political scientist. "A presidential race can't hurt his reputation, and it might help. He'd have to give up the speakership anyway. This way, he'd go out striving for something grand instead of skulking off to retired-pol limbo."

Colombia President Defies Logic

Country on Verge of a Nervous Breakdown, but Samper Endures

By Diana Jean Schemo
New York Times Service

BOGOTA — The letters to the editor column in El Tiempo one recent day read like the script for a movie that could be called "Country on the Verge of a Nervous Breakdown."

The first note was from a woman to her husband who had been kidnapped months before, urging him not to lose hope. Another reader exploded over the "swindlers, juvenile delinquents, phony civil servants; peddlers selling umbrellas, videos, books, dogs, taffy, knives, kites; predators, murderers just out of jail" who besiege him the moment he leaves home each morning.

A third recalled promises President Ernesto Samper made, that his last year in office would be a "striptease," unveiling great works. With interest rates on savings accounts falling short of inflation, the pledge rang true in a way, the reader said. "We've been completely fleeced."

Three years into his four-year term, Mr. Samper has proved himself a more audacious politician than opponents in Washington or at home imagined.

Mr. Samper won the battle over the drug corruption charges. Nobody expects him to leave office before his term expires next August. Yet his victory is dubious.

"He's a political genius," said Francisco Mejia, an economic consultant who was one of those calling for Mr. Samper to step down. "But it doesn't matter. He doesn't have credibility, nobody trusts him, and without that, you can't really run a country."

Pardoned by Congress on charges that drug dealers from Cali pumped $6 million into his election campaign, Mr. Samper has used control of jobs, pork-barrel projects and of the airwaves to ignore calls for his resignation.

Economic growth, which had been running above 5 percent a year before Mr. Samper took office, is down to an expected 1.5 percent this year, while the major international investment houses now advise their clients to invest elsewhere. The unemployment rate, once at 6 percent, has more than doubled.

With government soaking up domestic sources of finance, Colombian companies have turned to foreign banks. During Mr. Samper's term, foreign debt has soared to $32 billion from $17 billion. Government spending as a share of the gross domestic product has swollen to 33 percent from 20 percent, Mr. Mejia said.

In social and political terms, the situation is hardly more optimistic. About 70 percent of all kidnappings in the world occur in Colombia. More people died violent deaths in the first nine months of 1996 than all last year in the United States with eight times the population.

In order to prevail over enemies, Mr. Samper has frequently had to curry favor with people whose power bases are at odds. He has tried to satisfy the Rodriguez Orejuela brothers, the Cali traffickers who allegedly financed his election, as well as officials in Washington, who have castigated him for protecting the interests of the drug lords.

A perfect example has been a bill to reinstate extradition, which the president launched as Washington prepared its annual report card on Colombia's cooperation in fighting drug exports.

The United States is eager to have an extradition treaty with Colombia. It would like to be able to try the Colombian drug lords in its own courts. Mr. Samper's proposal has effectively muted Washington's criticism. But the law would not apply to drug dealers who turn themselves in, like the Rodriguez Orejuelas. And a twist in the bill announced last week means that passage of a second law, under the next president's administration, will be necessary.

In the atmosphere of lawlessness beyond any sense of proportion or shame, some crimes veer into the surreal. Last week, a legislator reported that a 32-foot-wide metal bridge weighing 40 tons had disappeared from his district. Residents of San Agustin, in Neiva state, neither saw nor heard anything.

Sultan Escapes Sex Charges

Los Angeles Times

LOS ANGELES — A federal judge has ruled that the Sultan of Brunei, one of the richest men in the world, cannot be sued for allegedly holding a former Miss U.S.A. as a sex slave on his island.

U.S. District Judge Consuelo Marshall found that the sultan was a foreign head of state and therefore was protected by sovereign immunity from lawsuits filed in the United States.

The grant of immunity came at the suggestion of the U.S. Department of State, which argued that allowing the suit to proceed "would be incompatible" with U.S. "foreign-policy interests."

Shannon Marketic, the 27-year-old former Miss U.S.A., claimed in her complaint that she and six other beauty queens were hired for modeling and promotional work in the sultanate.

When the models arrived, Ms. Marketic alleged, their passports and return airline tickets were confiscated and they were tested for sexually transmitted diseases. She alleged that she was held against her will in a palace for 32 days, during which the scantily clad models were forced to attend parties with men who tried to force them to perform sex acts.

The sultan denied the allegations.

Even in Space, One Can Now Vote on Earth

New York Times Service

HOUSTON — Among the electoral blocs a politician has to worry about, voters stuck in outer space do not make for a very big constituency — not yet, anyway. But if and when they do, they will add vast new complexities to the concept of a get-out-the-vote drive.

Space travelers can now cast ballots in elections back home, NASA and Texas election officials announced Monday, as they revealed their high-technology solution to what they called one of the more vexing legal and logistical challenges in the history of suffrage.

The problem arose last fall when an American astronaut, John Blaha, a registered voter in the Houston area who was on a four-month mission aboard the Russian space station Mir, said he wanted to vote in the November elections. Texas officials said there was no legal way for him to do that. He had left Earth long before absentee ballots had even been drawn up.

But on Monday, the secretary of state of Texas, Tony Garza, said a new computer program would allow astronauts to cast ballots by sending them via e-mail to the National Aeronautics and Space Administration.

Genetic Tie to Colon Cancer

For Ashkenazi Jews, Risk Is Doubled, Report Finds

By Rick Weiss
Washington Post Service

WASHINGTON — Researchers have discovered a new kind of genetic defect that doubles a person's risk of colon cancer. The defect is present in one of every 17 American Jews, making it the most common cancer-associated mutation ever identified in any ethnic population.

The mutation, apparently rare in non-Jews, appears to be responsible for about one in four cases of inherited colon cancer in Ashkenazi Jews — those of East European ancestry, who constitute more than 95 percent of the 6 million Jews in the United States. It can be detected with a newly available $200 blood test, which some geneticists predicted would quickly become one of the more commonly used genetic tests.

Doctors called the latest discovery a major advance because a positive blood test can alert people to the need for regular colon examinations, called colonoscopies, which can detect colon cancer in its earliest stages. The disease is easily prevented or cured when growths in the colon are spotted early and removed.

Diets high in fiber and low in fat lower a person's risk of getting colon cancer, which is the third most common type of cancer in the United States. Doctors recommend periodic colonoscopies starting at age 50 to watch for the development of precancerous growths called polyps. But many people avoid the painful hourlong procedure, which involves threading a long viewing device up the large intestine.

The new work, which appears in the September issue of Nature Genetics, was led by Bert Vogelstein of Johns Hopkins University in Baltimore. Researchers said it could help them find the underlying causes of other kinds of cancers in different populations.

The research involved genetic analyses of blood or tissue samples from about 1,000 Ashkenazi Jews. Most colon cancers are due to genetic changes acquired during a person's lifetime, but an estimated 15 percent to 30 percent are caused by inherited genetic alterations.

The new blood test is available only through Johns Hopkins Medical Center in Baltimore, but may soon be available elsewhere.

Court Fines Mexican Publisher

The Associated Press

MEXICO CITY — A judge found a Mexican newspaper publisher guilty of tax evasion and fined him $3,150 in a case that has fueled a nationwide controversy.

Juan Ealy Ortiz, owner of the El Universal newspaper, which has been critical of the government, has insisted that he was being politically persecuted. He repeated that accusation Tuesday through his lawyers, who were quoted in a front-page story in El Universal.

Judge Alberto Perez Dayan of the Fifth Penal Court District in Mexico City on Monday set the minimum sentence for the charge against the newspaper of failing to pay its 1995 taxes. Mr. Ortiz has to pay the fine as president of the company.

El Universal executives and columnists of many other newspapers criticized the fine, saying President Ernesto Zedillo's administration was out to get the newspaper because of its opposition to the government.

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ASIA/PACIFIC

Religious Groups Press Seoul to Aid the North

By Nicholas D. Kristof
New York Times Service

SEOUL — Putting sharp new pressure on the government over food aid to North Korea, South Korean religious organizations on Tuesday handed officials a huge stack of petitions calling for increased aid to the North.

The organizers said that the petitions contained 1.1 million signatures, a remarkable number in a nation of 45 million people. The success of the petition drive underscores the growing discomfort in South Korea with the images filtering out of the North of emaciated children and an increasing sense that some aid is necessary to avert a catastrophic famine in North Korea.

South Korea has been deeply ambivalent about assistance in the last few years. South Koreans feel a strong emotional tie with compatriots in the North, but they are also resentful of the North's failure to show gratitude for past aid and alarmed about the risk that the food will simply bolster the North Korean Army.

The theme of the rally Tuesday by religious leaders, before they handed over the petitions to the Unification Ministry, was that North Korea's politics may be repugnant but that the most important thing is that its people are starving.

"North Koreans are our brothers and sisters," declared Cardinal Kim Sou Hwan, the Roman Catholic leader in South Korea. "Even now, countless numbers of North Koreans are starving, especially the children."

The sense of crisis was underscored by a video, "How Many More Must Die?" shown at the rally. It presented images of excruciatingly thin children and of bodies washed ashore on the Chinese side of the river that marks China's border with North Korea. The narrator said that the bodies were of North Koreans who had tried to flee to China but had drowned because they were too weak to swim properly.

The petition drive was strongly backed by Christian and Buddhist organizations, which have been gathering contributions for private assistance as well as calling on the government to do more. The aid groups also emphasized that Pyongyang should allow more monitoring to ensure that the food is actually given to people who need it.

Some visitors to parts of North Korea have seen few signs of hunger and have suggested that the talk of famine is exaggerated. But others have reported seeing corpses and have taken photos apparently showing children suffering from severe malnutrition.

The most common view seems to be that hunger is widespread in North Korea. Moreover, crops this summer apparently have been mostly poor.

Reuters

RADIOACTIVE LEAK — A nuclear waste storage side at a reprocessing plant in Tokaimura, northeast of Tokyo. An official said Tuesday that the site had been leaking low-level radiation for 30 years.

After No Results, Japan Ends Fusion Research

By Andrew Pollack
New York Times Service

TOKYO — The idea that cheap, bountiful energy can be produced by so-called cold fusion has suffered another blow as the government of Japan said it would terminate its research, which has failed to confirm that the phenomenon exists.

Japan had pursued the quest for room-temperature nuclear fusion long after most governments and scientists in the United States and Europe had dismissed the concept of cold fusion as an illusion. Japan said Monday that it also was throwing in the towel.

"We couldn't achieve what was first claimed in terms of cold fusion," said Hideo Ikegami, a retired professor at the National Institute for Fusion Science in Nagoya. "We can't find any reason to propose more money for the coming year or for the future."

The Ministry of International Trade and Industry, which has spent 2.3 billion yen ($19.5 million) on cold fusion over the last five years, will not provide any new financing in the next fiscal year, said Shin-ichiro Fukushima, a director of the ministry's electric power technology department. A cold-fusion laboratory set up by the ministry in Sapporo is expected to be shut, scientists said.

In 1989, two scientists, Doctors B. Stanley Pons of the University of Utah and Martin Fleischmann of Southampton University in England, shocked the world by reporting that nuclear fusion, the process that creates the heat of the sun and the explosion of a hydrogen bomb, could be reproduced in a jar using readily available materials.

They said their simple apparatus offered the prospect of virtually unlimited, inexpensive energy.

But other researchers could not reliably reproduce their results. The field had fallen into disfavor by 1992, when Japan, hoping to take the lead in the technology and desperate to reduce its nearly total dependence on imported oil, decided to start its program.

In addition to the government program, about 20 major Japanese companies have been pooling money to provide $1 million or more a year for university cold-fusion research. That financing is also likely to end, researchers said.

Officials at the Ministry of International Trade and Industry say that the $20 million spent on the program was a pittance compared with what is spent on other energy programs.

BRIEFLY

India Rejects Mediation By the U.S. on Kashmir

NEW DELHI — India on Tuesday rejected a U.S. offer of mediation to end Kashmir border clashes with Pakistan and said that differences with Islamabad should be resolved in bilateral talks.

"We have seen press reports relating to a possible U.S. interest in mediation," a foreign ministry spokesman said, adding that there was "absolutely no question of mediation by third parties in India-Pakistan issues."

A senior official at the U.S. State Department was quoted as saying on Monday that Washington would be willing to mediate to end Kashmir border clashes between India and Pakistan if invited by both nations. Indian and Pakistani troops traded fire across their Kashmir border for the sixth consecutive day Tuesday, but the exchanges were relatively light and there were no casualties, Indian officials said.

India accuses Pakistan of arming Muslim guerillas in Kashmir. Pakistan says it provides only moral and diplomatic support. *(Reuters)*

Nerve Gas Cult Is Reviving

TOKYO — The Aum Supreme Truth doomsday cult, responsible for deadly nerve gas attacks, is attracting back followers and setting up new branches, public security authorities said Tuesday.

A total of 427 Aum followers were arrested after the 1995 Sarin gas attack on Tokyo subways, but one in three, or 138 people, has returned to the cult after their release, news reports said, quoting a survey by the Public Security Investigation Agency. *(AFP)*

Hun Sen Promises Order

PHNOM PENH, Cambodia — Hun Sen, who wrested power in a coup that ignited a new civil war, promised Tuesday to restore security and stability to Cambodia or leave office if he fails.

Speaking at a graduation ceremony for business students in Phnom Penh, Mr. Hun Sen declared that he would not seek office in a promised May 1998 election if his programs fall through. Mr. Hun Sen said that he had a long-term strategy to fight rampant crime — drug trafficking, armed robberies and kidnappings.

"If I cannot succeed, it would be useless for me to remain in office for another term," Mr. Hun Sen said. *(AP)*

A 2d Hong Kong Protest

HONG KONG — A dozen pro-democracy campaigners marched to the office of Hong Kong's new leader Tuesday to demand that China release a dissident who is reportedly ailing.

The protest, the second since Hong Kong returned to Chinese sovereignty in July, came after reports that that the dissident, Wang Dan, was suffering from severe headaches and a stomach disorder. Mr. Wang, 27, a leader of the 1989 Tiananmen Square democracy protests, is serving an 11-year sentence. *(AP)*

Lee Consolidates Power in Taiwan

President Wins 3d Term as Chairman of Nationalist Party

Reuters

TAIPEI — President Lee Teng-hui on Tuesday won a third term as Nationalist Party chairman in an uncontested election that consolidated his power base.

Mr. Lee won more than 93 percent of the 2,209 votes of party delegates. Party officials had originally set the winning target at 85 percent, higher than the 82.5 percent Mr. Lee won four years ago.

"I will continue to devote myself to promoting party reforms and upholding the continued development of the country's democracy and constitutional politics," he said in an acceptance speech.

Mr. Lee named Vice President Lien Chan as party deputy chairman.

Mr. Lee, 74 and Taiwan-born, rose to power after he succeeded Chiang Ching-kuo as president in 1988. He was elected party chairman the same year.

In Beijing, China's Foreign Ministry spokesman, Tang Guoqiang, said on Tuesday that Mr. Lee's re-election as the Nationalist Party chairman did not change Taiwan's status as part of China. Leaders of the island are only local officials, he said.

Beijing also poured cold water on a peace overture by Taiwan, saying that strained ties could improve only if the island halted activities to split the motherland.

Taiwan news media said Nationalist officials mobilized all available resources to ensure a landslide for Mr. Lee this year to signal unity within the party, whose image has been tarnished by a spate of violent crimes and corruption.

"The high winning percentage demonstrates the firm unity of party members," Wu Poh-hsiung, the party secretary-general, said.

Constitutional revisions in July allow Mr. Lee to dictate all major policies, including foreign, defense and China affairs. They also reduce the power of the prime minister, turning him essentially into a presidential chief of staff chosen by the president.

Child Abuse in Australia

Much Pedophilia Left Unpunished, Report Says

Agence France-Presse

SYDNEY — Generations of children suffered enormous harm as police and local authorities turned a blind eye to sexual abuse by Australian clergymen, church officials and teachers, a royal commission report said here Tuesday.

The report, by James Wood, a Supreme Court judge, criticized years of neglect and under-funding of child protection services, and warned that as many as 10 percent of children in the general community could be victims of child abuse.

Calling for a new approach to the care and protection of children, Justice Wood said that such numbers represented "a significant problem" since past experience showed that any one offender was likely to come into contact with many children, and having abused once was likely " to reoffend with a degree of regularity."

There was a deep-seated ignorance on the part of major churches and religious organizations, the report said, about the extent and significance of child sex abuse by their members.

One admitted sex offender, a member of the Christian Brothers Catholic teaching order, told the commission that it was not until he was threatened with dismissal that he realized his actions were criminal. He said that the vow of chastity applied "primarily to heterosexual relationships."

"The fact is that there has been a long, sad and extensive history of child sexual abuse by members of the clergy and by those associated with the churches, schools, homes and the like conducted by religious associations," the report said.

Because of the impenetrability of these organizations and the failure of the police to effectively investigate, a "very considerable amount of criminal conduct of the most serious kind has been left undetected and unpunished.

"Enormous harm has been done to generations of children."

Franca Arena, a Labor member of Parliament, whose identification in Parliament of a former Supreme Court judge as a pedophile led to his suicide in November, threatened to name more pedophiles. She said that she was "appalled" the commission had not investigated certain people in "high places," and that she had copies of affidavits from child sex abuse victims accusing a judge and a politician of abuse.

A Rabbit Virus Hits New Zealand

The Associated Press

WELLINGTON, New Zealand — A rabbit-killing virus has been illegally introduced in South Island farmlands infested with wild rabbits, apparently by farmers desperate to save their grazing lands.

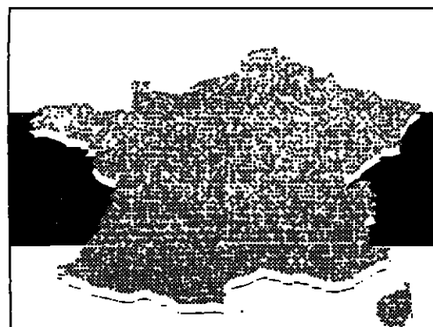
The Ministry of Agriculture confirmed on Tuesday the presence of rabbit calicivirus disease on at least four farms in Central Otago, as well as suspected outbreaks at three other South Island locations.

"It appears this disease has been deliberately and illegally introduced," said Barry O'Neil, the ministry's chief veterinary officer.

Australia is suspected as the source of the infection.

Tests on dead rabbits on Cromwell farms confirmed they had been killed by calicivirus disease. Farmers threatened to release the virus last month after scientists with the Ministry of Agriculture rejected an application for the virus to be introduced legally into New Zealand.

Properties were quarantined where rabbits killed by the virus were found. Stock movements from the area have been banned.



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EUROPE

Snubbed, a Determined Romania Makes NATO Entry 'Our Main Target'

By Edward Cody
Washington Post Service

BUCHAREST — This is NATO country, with a zeal the Marlboro Man can only envy.

Left out of the Western alliance's first wave of expansion last month in Madrid, Romania is swallowing its disappointment and making an all-out effort — political, economic and military — to guarantee it is on the second list of expansion countries scheduled to be named in April 1999.

"Being in NATO is our main target," said Colonel Mihail Ionescu, chief of the Defense Ministry's Directorate for European and North Atlantic Integration. "It was before Madrid, and it is even more so now."

The determination to join the North Atlantic Treaty Organization rises almost to the level of national obsession, with 95 percent of the population voicing approval despite the high price tag. More than a desire for NATO's nuclear umbrella, officials here say, the eagerness reflects an ache to see Romania anchored once more in the West after a generation of communism and the erratic dictatorship of Nicolae Ceausescu.

Although opinion surveys show that enthusiasm is highest in Romania, the campaign for NATO membership here is part of a widespread desire across Eastern Europe to join the winning side of the ideological struggle that concluded at the beginning of the decade.

In that light, membership in NATO is seen here as a path toward sharing in the free-market riches of the evolving European Union.

"For us, it is an identity issue — being in the club," said Sorin Ducaru, who heads the Foreign Ministry's NATO department.

The U.S. decision to limit the first cut of NATO expansion to Poland, Hungary and the Czech Republic, formalized at the Madrid summit conference, has not generated the resentment predicted by some last spring, when President Emil Constantinescu's government waged a quixotic campaign for admission with backing from France but little chance of success.

Instead, Romania is redoubling efforts to cement close strategic ties with the United States, recognizing Washington's key role in NATO as well as its interest in East European and Balkan stability. At the same time, officials in Bucharest are following NATO integration closely in Poland, Hungary and the Czech Republic, with an eye to imitating what works well there and avoiding what fails.

"The idea is to have the same steps and approach to NATO as the three countries that are already integrating," said Constantine Ionescu, the Defense Ministry's secretary of state for defense policy and international relations.

In some ways, Romania failed to make the first cut at Madrid because it started from so far behind. Under Mr. Ceausescu's suffocating hand, the country failed to begin the transformations already under way by the late 1980s in East European neighbors that were feeling the ripple from Mikhail Gorbachev's Soviet perestroika, or economic restructuring.

The government that arose from Romania's 1989 revolution under President Ion Iliescu swiftly began to reform the military and point toward NATO: It was the first to sign up for NATO's Partnership for Peace program in 1994. But it was slow to take difficult economic measures needed to undo the socialist economy.

With Slovenia — the other candidate that was put on the waiting list at Madrid — Romania had the lowest percentage of production from the private sector among major NATO contenders when the picks were made.

This was identified as the big reason for leaving Romania out of the club.

Mr. Iliescu, branded a neo-communist, lost elections last November to an opposition coalition headed by Mr. Constantinescu. It was the first time since before World War II that Romania transferred power in unchallenged elections. Mr. Constantinescu and his prime minister, Victor Ciorbea, pledged to dive head-first into a free-market economy. But by that time, the image of a Romania slow to change was set, and there was too little time to undo it before Madrid.

This month, Mr. Ciorbea announced a list of 17 large, state-owned businesses that are being shut down, throwing 30,000 Romanians out of work at the beginning of what he has promised will be Polish-style economic shock therapy.

Diplomats here cautioned that this is only the beginning. Although half of Romania's overall economic activity has moved to private hands and small shops buzz with shoppers along the busy avenues of Bucharest, 80 percent of large-scale industrial production still comes from state-owned enterprises.

But Mr. Ciorbea, although a former union activist, has made it clear he wants full-scale privatization despite the prospect of temporary social pain.

In the meantime, the Defense Ministry came home from Madrid, licked its wounds and started a military-wide assessment of what needs to be done by 1999 to make sure Romania gains admission to NATO. That review is due in about 10 days.

Most necessary steps — force reduction, rank reorganization along NATO lines, modernizing equipment and procedures to make them NATO-compatible — have already begun.

Mr. Ciorbea conducted tough negotiations last week with Bell Helicopter Textron for a $1 billion, 12-year program to produce in Romania 96 helicopter gunships modeled after the U.S. military's AH-1W Super Cobra. Inevitably, the Romanian helicopter will be called the Dracula.

France expressed disappointment that Romania was choosing Bell over a French offer, particularly given Romania's production of French helicopter models in the past and strong French support for Romania's NATO candidacy before the Madrid decision. But Romanian officials said the choice was part of what they describe as a strategic partnership with Washington.

"We can say a lot of things about equality and so on, but we are convinced that the trans-Atlantic link is the most important thing for security in the area," said Colonel Ionescu. "We are right next to Russia. Political orientation is a question of interests."

BRIEFLY

100th Zionist Anniversary

BASEL, Switzerland — Around 1,700 delegates began gathering here Tuesday to mark the 100th anniversary of n historic meeting that launched the Zionists' modern drive to create a Jewish state.

Hundreds of soldiers and policemen cordoned off the conference center to deter any terrorist violence or anti-Semitic demonstrations by right-wing radicals. Sharpshooters took up positions on roofs.

Military patrol boats cruised the Rhine River near the Three Kings hotel, while the Swiss Air Force scanned the city's closed airspace.

Despite the tight security, officials said they were hoping the congress would promote a fresh look at Swiss ties with Jews which have been strained by allegations that Swiss banks hoarded the wealth of Holocaust victims. *(Reuters)*

Briton Charged in Murder

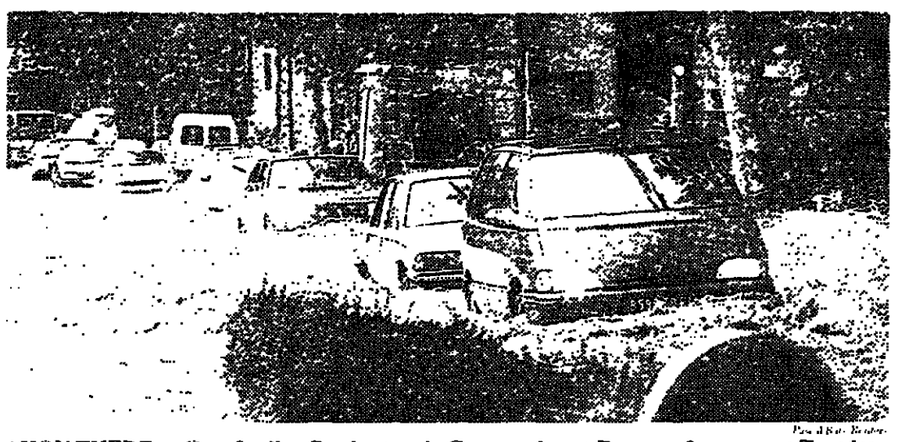
BARROW-IN-FURNESS, England — The former husband of a British woman whose body was found in a lake 21 years after she disappeared has been charged in court with her murder.

Gordon Park, 53, a retired school teacher, was remanded in custody when he appeared before magistrates in Barrow-in-Furness in the northern England county of Cumbria.

Mr. Park was charged Monday with the murder of his first wife, Carol Park, who was 30 when she vanished in July 1976, leaving behind three children. Her body was found 13 days ago.

Krenz Appeals Conviction

BERLIN — Egon Krenz, East Germany's last hard-line Communist leader, lodged an appeal Tuesday against his manslaughter conviction for the deaths of people who were killed in the 1980s while trying to flee over the Berlin Wall.



AHOY THERE — Cars fording floodwaters in Gan, southwest France, after a storm Tuesday.

On Monday, a court here sentenced Mr. Krenz to six and a half years in prison. He was immediately led away to jail because authorities feared he would flee, even though his sentence will not become legally binding until his appeal is heard.

The court found Mr. Krenz guilty because he had shaped the shoot-to-kill orders carried out by border guards.

Mr. Krenz, who succeeded Erich Honecker as head of the now-defunct Communist state, has insisted that the government was only following orders from Moscow. *(Reuters)*

Water for Turkish Cypriots

ANKARA — Turkey is planning to transport drinking water from its southern shores to northern Cyprus in order to offset water shortages in the breakaway Turkish Cypriot state, a government spokesman said Tuesday.

The project would "cover the drinking water deficit of the Turkish Republic of Northern Cyprus," the government spokesman, Sukru Sina Gurel, told reporters.

Northern Cyprus has suffered droughts in the last few years.

Speaking after a cabinet meeting, Mr. Gurel said the project would cover most of the enclave's water needs and would be put into practice by the end of the year.

A balloon-type tanker, pulled by tugs, would be used to carry the water across the Mediterranean Sea to storage tanks in the Turkish Cypriot state, which is recognized only by Ankara.

Cyprus has been divided since 1974 when Turkey invaded the northern third of the island in response to a short-lived coup in Nicosia that was engineered by Greece, which was ruled at the time by a military junta. *(Reuters)*

MI5 Surveillance On British Editor Tied to Libel Suit

The Associated Press

LONDON — A journalist was placed under official surveillance when she allowed the former head of Ghana's security service to use her bank account as a conduit to pay for a libel action, newspaper reports said Tuesday.

Victoria Brittain, deputy foreign editor of the liberal Guardian newspaper and a specialist on Africa, is a longstanding friend of Kojo Tsikata, who is suing a rival London daily, The Independent.

Some £250,000 ($402,000) was deposited in Ms. Brittain's account to pay for the suit over an article that said Mr. Tsikata had been named as a suspect in the murder of three Ghanaian High Court judges, The Times reported.

The MI5 British security service suspected that the funds were being laundered by Libya through Ms. Brittain's account, according to David Shayler, a former Sunday Times journalist who retired five months ago from MI5.

The Guardian said that MI5 tapped Ms. Brittain's phone after her bank reported in 1993 that large sums of money had been deposited in her account. Agents followed her, monitored her meetings and planned to plant an electronic listening device in her home, but gave up the plan, the newspaper said.

The Guardian said Tuesday that Mr. Shayler later acknowledged that the transactions were "entirely innocent." It said that neither Ms. Brittain nor The Guardian had played any part in the libel action against The Independent.

Newspaper article reprinted from Business Day THA0076A

THAI Wins Award for Punctuality

STAFF WRITER

THAI Airways International (THAI) was recently awarded the 1996 "International Punctuality Award" for on-time take-offs and landings at Amsterdam's Schipol Airport.

Han Smits, President of Schipol Airport, presented the award to THAI at the annual New Year gathering organized by Schipol Airport Management. THAI was selected from 38 intercontinental air carriers operating from Amsterdam airport as the best on-time airline of the year.

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4 of Top 8 Commanders Attend Meeting With Mrs. Plavsic

Compiled by Our Staff From Dispatches

BANJA LUKA, Bosnia-Herzegovina — The struggle for power in the Serbian part of Bosnia intensified Tuesday, with half the army's top generals showing their support for President Biljana Plavsic in her attempt to wrest power from Radovan Karadzic.

Four of the Serbs' eight main army commanders met Mrs. Plavsic in her stronghold of Banja Luka in northwestern Bosnia.

Those who stayed away included the army chief of staff, General Pero Colic, a deputy of his and the commanders of the two army corps in the eastern half of Bosnia. That section is under the control of Mr. Karadzic, the former president and an indicted war criminal, and his allies in their stronghold of Pale, just east of Sarajevo.

United Nations sources said that General Colic had refused an offer of a helicopter to take him to Banja Luka after he talked in Sarajevo with the U.S. commander of the NATO Stabilization Force in Bosnia.

Among those attending the Plavsic meeting were General Milan Torbica, the air force commander; General Momir Talic, who commands the First Corps, the Bosnian Serb Army's most powerful fighting unit, and General Novica Simic, commander of the Third Corps.

The boycott by four generals suggested that the army, like all other Bosnian Serb institutions, was split in the struggle between Mr. Karadzic and Mrs. Plavsic, a Serbian nationalist and former Karadzic ally who now accuses him of getting rich while his people starve.

Bosnian Serb Army sources said before the meeting that Mrs. Plavsic intended to name a replacement for General Colic. Her favorites were said to be General Talic or General Simic.

The army is generally regarded as low in morale and poorly trained. At the beginning of the Plavsic-Karadzic conflict early this summer, it was thought to support the president, but it has since sometimes been critical of her. Mrs. Plavsic said Monday that she would see "whether the chief of staff and the corps commanders are people who know where the place of the army is."

Although she says Serbs should settle the power struggle by themselves, the peace force and international envoys have given her vital backing. Hundreds of British and Czech soldiers with the Stabilization Force intervened last week to foil an alleged attempt to oust her.

On Tuesday, a force spokesman, Lieutenant Colonel Mike Wright, said that a peace force regiment had deployed near a transmitter on Mount Kozara, where, he said, the force and other international organizations have equipment. Pro-Karadzic police thwarted an attempt by pro-Plavsic forces to take over that transmitter Monday and use it for their new television station. Control of the transmitter would enable them to broadcast deep into Karadzic territory.

Banja Luka TV has broken with the Pale studio controlled by Mr. Karadzic. Other media, the police and Parliament also are now split between the rival camps. Media control is a major weapon in a rural land where television is the main source of news for many.

International officials are furious with television controlled by Karadzic supporters in Pale for comparing the peace force led by the North Atlantic Treaty Organization to the Nazi occupiers in World War II.

The peace force has the ability to limit or suspend Bosnian Serb television. International officials have promised action, but not yet announced what they will do.

In another development, the United States offered aid to Mrs. Plavsic, announcing loans of $1.1 million to Bosnian Serb companies.

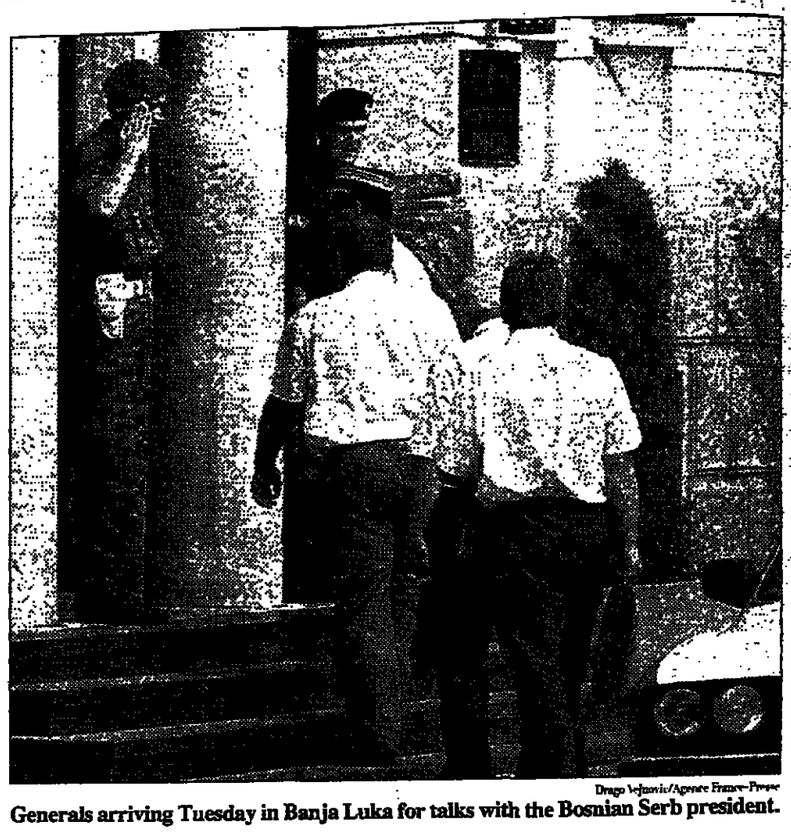
Part of a package agreed to with Mrs. Plavsic on Aug. 7, the aid seems intended to underline that those who support the Dayton peace accord — as she says she does — will get funding denied to Mr. Karadzic, whose half of Bosnia is desperately poor.

The international force, meanwhile, is hastily training hundreds of Serbian police officers in Banja Luka.

A spokesman, Alun Roberts, said that funding for the rushed program was being considered "at a high level of the international community."

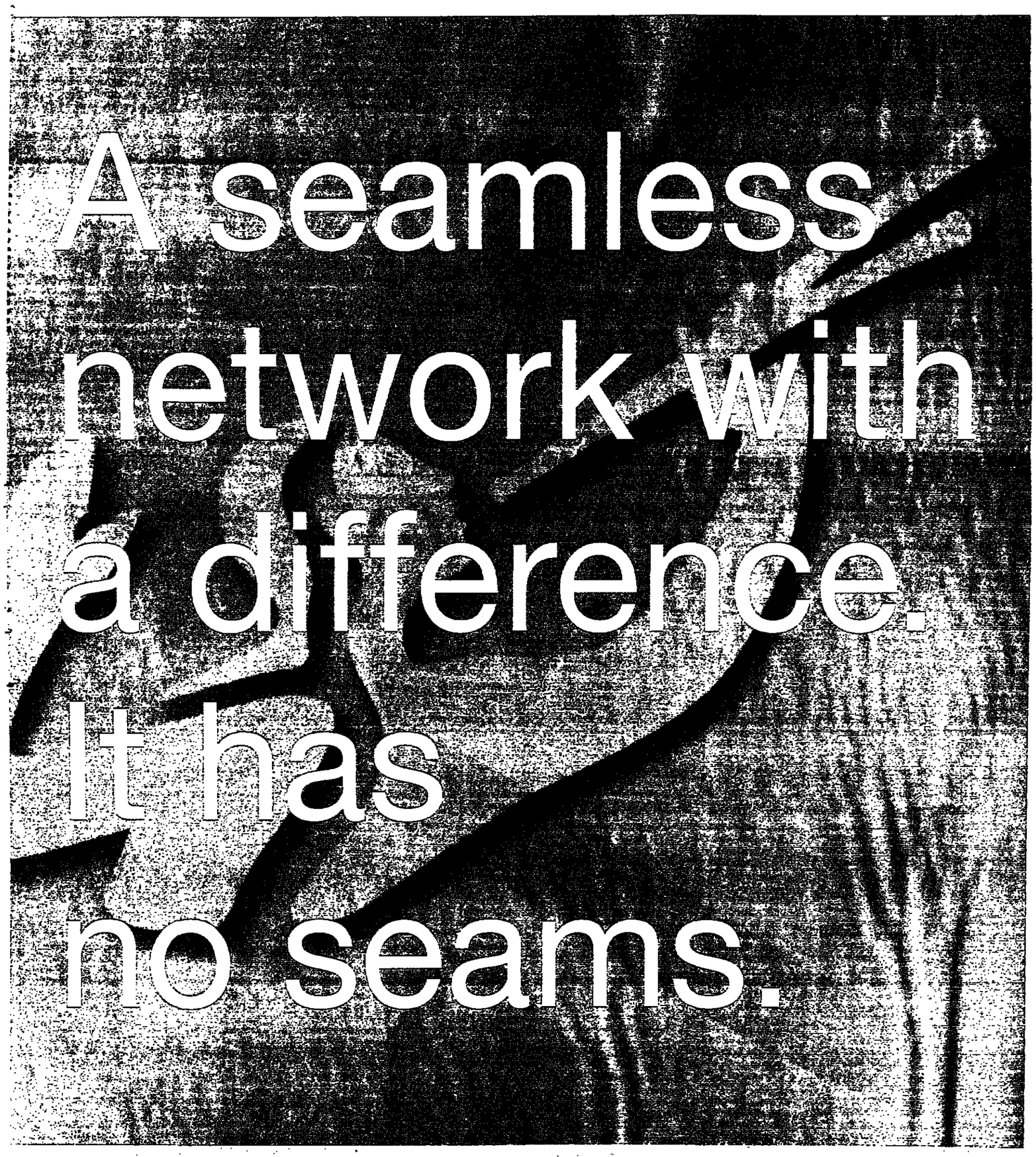
Police chiefs in three key towns — Banja Luka, Prijedor and Mrkonjic Grad — are loyal to Mrs. Plavsic, Mr. Roberts said.

He said that the leaning of three other towns in western Bosnia was unclear and that two more still answer to Mr. Karadzic. The police in eastern Bosnia remain behind Mr. Karadzic, but Mr. Roberts insisted that the situation there was fluid. *(AP, Reuters)*



Drago Vejnovic/Agence France-Presse

Generals arriving Tuesday in Banja Luka for talks with the Bosnian Serb president.



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BRIEFLY

Bonn Seeks Contact With Iran

BONN — Germany said Tuesday that it wanted to patch up its troubled relations with Iran, four months after a German court ruled that Tehran had ordered the murder of Iranian Kurdish dissidents in Berlin.

Foreign Minister Klaus Kinkel said in an interview with Neue Ruhr Zeitung that Germany wanted to "slowly re-establish contacts with Iran." The interview was to be published by the newspaper Wednesday. A text was released by the Foreign Ministry.

Mr. Kinkel welcomed remarks by the new Iranian foreign minister, Kamal Kharrazi, who has said he is ready to meet with European Union ministers. He said Bonn would consider how to respond to Mr. Kharrazi in consultation with the Luxembourg EU presidency.

"We will not ignore this wish after a long pause in contact," Mr. Kinkel said.

All EU countries except Greece withdrew their ambassadors from Tehran after the ruling by a Berlin court that Iran's senior leaders had ordered the 1992 assassination of four Kurds in a restaurant in Berlin. The European Union also suspended its policy of "critical dialogue" with Tehran. *(Reuters)*

Army-Student Clash in Congo

KINSHASA, Congo — Soldiers clashed with student demonstrators here Tuesday and there were unconfirmed reports that four students had been killed by gunfire, state radio reported.

"The students were protesting against soldiers who had entered the campus," the radio said. "Shots were fired and there are reports of four students killed."

A Kinshasha police official, Raus Chalwe, said there had been trouble on the campus of the National Institute of Teacher Training. He said there had been injuries but no deaths. *(Reuters)*

Talks Start Without Burundi

ARUSHA, Tanzania — Peace talks on Burundi began Tuesday despite the refusal by one side — the Tutsi-led government — to participate.

Former President Julius Nyerere of Tanzania, the mediator, went ahead Tuesday with the talks, dismissing as "stupid" accusations that he was pro-Hutu and therefore unacceptable as a facilitator. Burundi has said that Tanzania's neutrality has been compromised because it harbors Hutu rebels along its western border.

"These accusations are not new," Mr. Nyerere said, adding, "These are stupid reasons."

He held talks with representatives of the main Hutu rebel organization, the National Council for the Defense of Democracy; the main Hutu political party, Frodebu; the radical Tutsi party Parena, and two other political parties. But without the participation of the government, there is little possibility of headway in resolving the political crisis and its violent spillover. *(AP)*

U.S. Lottery Offers 55,000 Visas

WASHINGTON — The United States will make available 55,000 immigrant visas through a lottery this fall that will be open to applicants from all geographic regions.

The annual lottery is aimed at increasing the number of resident visas from areas that normally receive a disproportionately small number of such visas.

The winners will be selected at random following the Oct. 24 to Nov. 24 mail-in. In addition to being born in a qualifying country, applicants must have either a high school education or its equivalent, or within the past five years have worked two years in an occupation requiring at least two years of training or experience.

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In the Circuit Court of the 11th Judicial Circuit in and for Dade County, Florida, General Jurisdiction Division. Case No. 97-4977 CA. Office of the Attorney General, Department of Legal Affairs, State of Florida, Plaintiff, vs.
UNIQUE GEMS INT'L CORP., a Florida corporation, a/k/a UGI, and ENRIQUE PIRELA, individually and as President of UNIQUE GEMS INT'L CORP., Defendants.

Notice of Bar Date, Last day for filing all proofs of claims and procedure to determine valid claims

PLEASE TAKE NOTICE that on June 25, 1997, this Court issued an Order Approving Claims Procedure, Approving Form of Notice and Setting Deadline to File Claims (the "Procedure Order") which set forth the following procedure to *determine the valid claims* against Unique Gems Int'l Corp. ("UGI") and/or the Receivership's assets, as follows:
1. The Notice shall be published every day for a period of four (4) weeks.
2. All creditors of UGI that desire to preserve any claim against the UGI estate are required to complete a Proof of *Claim attached hereto* as Exhibit "A" and attach copies of all documents he/she/it intends to rely upon to prove a claim against UGI and/or the Receivership's assets. Any creditor who fails to timely file and serve the Proof of Claim by the Bar Date shall be forever barred and permanently enjoined from asserting any claims against UGI.
3. If you claim to be a valid creditor of UGI, and you wish to preserve your claim against the assets of UGI, you are required to file a Proof of Claim and all supporting documents before Friday, October 31, 1997, (the "Bar Date") by doing the following:
A. File the original Proof of Claim and copies of all supporting documents with:
Lewis B. Freeman, Receiver
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4. The filing of a Proof of Claim shall be *deemed consent to jurisdiction* by the Court.
5. You are urged to file a Proof of Claim in the Receivership case. If you fail to file a Proof of Claim, you will not be able to participate in the distribution, if any, from the Receivership for assets recovered by the Receiver.
6. Further, you are advised that the Receiver is not providing legal advice or tax consulting services. You may want to contact your own counsel in filing this claim. You may also want to seek the advice of tax consultants/accountants.
7. To participate in a distribution of monies recovered from assets of UGI or third parties, you must properly fill out this form and submit it as indicated herein in a timely manner.
8. Any Proof of Claim not timely served will be disallowed and any documents relied upon by the claimant to support its claims which are not timely filed and served in accordance with this notice will be inadmissible at any evidentiary hearing or trial conducted in this proceeding.
THE DEADLINE TO FILE YOUR PROOF OF CLAIM IS, FRIDAY, OCTOBER 31, 1997.
DATED:
MISHAN, SLOTO, GREENBERG & HELLINGER, P.A.
Attorneys for the Receiver
2350 First Union Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
(305)379-1792
By: Andrew B. Hellinger, ESQ
Fla. Bar No. 861553

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Stand Up to Hun Sen

Less than two months have passed since Hun Sen's coup d'état in Cambodia, yet already that despot's one-time critics seem prepared to forgive and forget. The Japanese government, Cambodia's chief benefactor, has resumed giving aid, while acknowledging that a previously proclaimed condition for doing so — the assurance of "fundamental human rights and political freedom" — has not been met. The United States has restarted only humanitarian aid, but U.S. diplomats were the first to meet with Hun Sen's new puppet prime minister, and the U.S. Embassy has refused sanctuary to political refugees.

Now, no doubt emboldened by this weak-kneed response, Hun Sen is demanding that the United Nations replace its human rights team in Cambodia. Here, at least, the international community should stand firm.

The United States has more than a passing interest in this Southeast Asian nation. Since helping supervise UN-monitored elections in 1992, it and its allies have poured in billions of dollars. They pointed to Cambodia as a showcase of democracy-building and post-conflict reconstruction.

As early as 1992, though, international weakness was undermining such hopes. The United Nations sent in 20,000 troops but did not dare disarm Hun Sen's private army nor that of his rival, Prince Ranariddh. When Hun Sen lost the election, he was nonetheless permitted to muscle into government; in an arrangement carrying the seeds of its own destruction, he became second prime minister while the prince served as first prime minister. During the past two years, as human rights abuses mounted and Hun Sen increased his intimidation of opponents, U.S. officials continued to insist that he was a man they could work with. Even now they refuse to call his July 5 coup, in which Prince Ranariddh was deposed, a coup.

A new report from Human Rights Watch/Asia documents not only the coup but a post-coup "ruthless — and continuing — pattern of extrajudicial executions aimed at rooting out Ranariddh loyalists and deterring criticism by the opposition press and local human rights activists." Dozens of Hun Sen's political opponents have been murdered, and many more are missing. Others have been detained and tortured. Police visits, surveillance and phone cutoffs have effectively shut the opposition press.

Much of this has been documented by the UN Human Rights Center and by local Cambodian groups, now operating at grave risk, which the UN center has trained. That explains why Hun Sen is now targeting the UN team, despite his early post-coup promise not to interfere with human rights groups. The UN center is in fact responsible for much of the progress that Cambodia had witnessed since 1992, including the flowering of local human rights groups and stirrings of an independent judiciary. Hun Sen — ironically, along with Prince Ranariddh — tried to shut the center down once before, in 1994, but international donors, including the United States and Japan, resisted.

Japan, the United States and other donors still account for nearly two-thirds of Cambodia's governmental income. Their failure to use this leverage more effectively has been scandalous. They should now defend the UN center's courageous staff, reprogram some aid money from Cambodia's government to the center, and make clear that their forbearance has some limits.

— THE WASHINGTON POST.

Against Land Mines

This month the Clinton administration rightly though belatedly decided to join more than 100 other nations working to adopt a draft treaty banning anti-personnel land mines. Regrettably, the administration still insists on pressing for two Pentagon-sponsored exceptions that are likely not only to delay this Canadian-led initiative but, worse, to undermine the larger goal of drawing holdouts like Russia and China into a worldwide treaty.

Land mines were the leading cause of American military casualties in the Vietnam War. They also kill tens of thousands of civilians every year in places like Cambodia, Angola and Bosnia, and continue to kill and maim for years after the wars they were used in have ended. Simple to design and cheap to produce, they are poor countries' weapon of choice against sophisticated military powers like the United States. Veterans' groups, human rights organizations and Vietnam veterans now serving in Congress helped persuade the administration to join the Canadian effort.

Some important military powers, like Russia and China, are not taking part in these draft treaty negotiations. For most of this year, these and other holdouts have stymied a parallel attempt to negotiate a worldwide ban on land mines through the United Nations. The goal of the Canadian initiative is to create powerful moral pressure on these countries to drop their resistance.

Washington's negotiators are burdened by the Pentagon's insistence on two exceptions that could sabotage efforts to negotiate a worldwide treaty. One would permit continued American use of mines on the Korean Peninsula. The other would create a loophole for anti-personnel mines sown in conjunction with anti-tank mines. President Bill Clinton should reject both of these demands.

Achieving an effective global mine treaty is a prime American interest. Preventing needless military and civilian casualties should take precedence over sparing the Pentagon the trouble of adjusting its contingency plans. These plans can be modified to conform to a land mine ban without compromising American security.

The case for a Korean exception is based on long-standing American plans to use land mines to slow a North Korean ground invasion of the South. Yet military analysts, including a former commander of U.S. troops in South Korea, General James Hollingsworth, now argue that such use would be "a game plan for disaster," leading to unnecessary casualties among American troops and South Korean civilians.

The other exception the Pentagon wants would expand a provision in the present draft treaty that allows the deployment of some anti-personnel mines, under carefully circumscribed provisions, to protect anti-tank mines against tampering. Washington wants this loophole expanded so that it can continue to use an existing weapons system that air-drops anti-tank and anti-personnel mines together. The better solution would be to design new combination mining systems that do not require renegotiating the draft treaty.

If the United States persists in demanding the two exceptions, other countries will have no trouble finding comparable loopholes of their own. The coalition of veterans, activists and legislators that helped bring the administration this far should sustain its efforts until Mr. Clinton stands up to the Pentagon's needless demands. The chance to save so many lives should not be further delayed.

— THE NEW YORK TIMES.

Other Comment

The Hague Grows Teeth

The war crimes tribunal in The Hague has finally assumed the authority, and the power, to impose its will. By invoking a range of new and revised legal instruments and by winning the cooperation of international armed forces, it is beginning to show that it has teeth. The new vigor justifies hopes that the tribunal will outlive some of the Balkan regimes, and may yet even contribute to political change.

The tribunal is now less dependent on the tried and tested but effectively nonexistent "goodwill" of the authorities of the states whose responsibility for the war brought about the crimes in the first place. Had these governments displayed a minimal willingness to cooperate with one another and with the world, perhaps the tribunal would never have been necessary. Yet authority has remained in the same hands in all the states under the tribunal's remit. Thus expectations that they would voluntarily fulfill their international legal obligations toward the tribunal have been utterly misplaced.

— Mirko Klarin writing in War Report (London), bulletin of the Institute for War & Peace Reporting.

Herald INTERNATIONAL Tribune

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
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S.A.S. au capital de 1 200 000 F. RCS Nanterre B 732021120. Commission Paritaire No. 61337
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It Looks Like the Bulls' Game Is Almost Over

By James K. Glassman

WASHINGTON — I watch from the green of the third hole of swanky, verdant Robert Trent Jones golf course. A helicopter is lifting off from the clubhouse pad, leaning north and heading for Washington, 40 miles (65 kilometers) away. My partner, a smart guy who has been around, looks up from his putt.

"There it is," he says. "The official sign that the bull market is over."

Yes, bull markets — and, more important, powerful economic recoveries — end in excess.

When you see business execs helicoptering to the golf course, waiters discussing the merits of Intel versus Applied Materials, 22-year-olds in suspenders smoking cigars and drinking martinis, and houses in the suburbs selling way over the asking price — then you know that the referee has brought the whistle to his lips and is about to blow. The game is nearly over.

The last American recession (defined as a decline in the economy's output of goods and services) ended six years ago. It was mild and brief. When will the next one start, how deep will it be, how long will it last?

No one knows. But it is reasonable to assume that Bill Clinton, like every president since Richard Nixon, will have a recession he can call his own. The business cycle has not been repealed — and as long as people think it has, it never will be.

Harbingers may abound, but they don't tell us why the recession will start. Let's look at the most likely scenario and its political consequences.

The traditional recession plot first has prices and wages rising, so the Federal Reserve raises interest rates to choke off inflation. Corporate borrowing costs increase and profits drop, consumers stop buying on credit, new investment screeches to a halt, the stock market tanks.

But anyone scanning the horizon for signs of inflation today is looking in the wrong direction. More likely, the next recession will start because of a glut, an oversupply.

Businesses, in a frenzy to expand, will make poor use of capital, and we will have too much stuff to go around. Prices will not rise, they will fall, and firms will go bankrupt. In the cascade, unemployment will accelerate, and, despite low interest rates, economic growth will cease.

> *'There are too many hotels in Phoenix, and there is too much manufacturing capacity in China.'*

In other words, what we have to fear is not inflation but deflation.

If you want a preview, look at Japan, where, with long-term bonds paying just 2 percent interest, the economy is finally lifting itself out of the muck after five years.

Once they get started, deflations are hard to stop. Buyers always figure that prices will drop further as time goes on, so they keep putting off purchases.

Do you still believe that the United States has entered a New Era, that broader world markets and technological change have created a recessionless nirvana?

You may be right, but, as an antidote, listen to James Grant, writing in Grant's Interest Rate Observer, his brilliant and expensive (although not infallibly perspicacious) newsletter:

"Prosperity is self-limiting. There can be no New Era because speculative markets won't stand for it. Booms, in fact, create busts.

"Incited by low interest rates, capitalists will build something. Stimulated by ultra-low interest rates, by ultra-high equity valuations and by the supporting New Era theories, they will build some more. They will not stop building, in fact, we have observed, until the money stops."

If Mr. Grant is right, then we should be seeing excess not simply among individual consumers — who are spending themselves into bankruptcy in record numbers — but also among corporations. In the first part of this decade these firms applied the tough lessons they had learned about over-expansion and reckless spending. But now, 75 months into the boom, have they gone haywire?

Mr. Grant answers in the affirmative. He points to too many "semiconductor fabs, aircraft facilities, retail stores, auto plants, computer assembly lines, steel mills, commercial banks and commodity-chemical manufacturing facilities." He adds: "There are too many hotels in Phoenix, and there is too much manufacturing capacity in China." In a glut like this, companies have no pricing power. There are more things on the market than consumers and businesses want to buy.

In fact, producer prices have fallen for seven straight months, and 21 percent of America's largest companies, including Coca-Cola and Eastman Kodak, reported a decline in revenues for the first quarter.

"If this continues," writes Robert L. Kearns of David L. Babson & Co., the investment firm, "over the long run it is hardly a favorable trend for profits, corporate well-being and the nation's workers."

In a world in which booms create busts, there is not a great deal we can do to prevent the cycle.

But politicians should pay close attention. According to my "Being There" theory, those in office get the credit — or the blame — for current economic conditions, whether they have anything to do with them or not. Thus, Bill Clinton has reaped the harvest of the fat years (which were actually the legacy of Ronald Reagan).

But what about the lean ones? Republicans, now rejoicing in the bipartisan budget deal, would be wise to put distance between themselves and Democrats. The way to win in 2000 is to pin the recession on the "failed policies" of Bill Clinton.

Alas, that is a tough act for those who just joined happy hands with the president — and another compelling reason for them to return to their roots as the party of smaller, less intrusive government and much lower taxes.

The Washington Post.

A NATO That Creeps Eastward Is Bad for Russian Democrats

By Alexei Arbatov

MOSCOW — The enlargement of NATO, although still in the initial stage, has already revived some traditional misunderstandings and created new misperceptions between Russia and the West. The fallout may be felt this autumn when Russia takes up the START-2 treaty and other military issues.

There is a broad political consensus in Russia that the expansion of NATO not only runs counter to Russian security interests but also violates some commonly accepted rules on which the Cold War was ended.

While Moscow was agreeing to the reunification of Germany and to having that country stay in NATO, to disbanding the Warsaw Pact and then the very Soviet Union, to deeper reductions of nuclear and conventional forces than in the West, to the hasty withdrawal of half a million troops from comfortable barracks in Central Europe to tent camps in Russian fields — while Moscow was agreeing to all of those things, nobody took the trouble to warn Russians that NATO, the most powerful military alliance in the world, would start moving toward Russian borders.

To the contrary, Moscow was being repeatedly told by the West that it would be accepted as an equal and genuine partner in global politics and that no major decision on international security would be made without it.

Well, the NATO summit meeting in Madrid in July made it apparent that such one-sided decisions will be made and that Russia's opinion really matters only as long as it is in line with the Western position.

It is not that Russians want to abolish NATO. They would prefer, however, that this great military alliance find other post-Cold War functions.

The primary questions in the Russian mind remain unresolved. If NATO expands as a military defensive alliance, what is the threat to the new members — Poland, Hungary and the Czech Republic — that would warrant such an expansion (apart from "historic grievances," of which there is no shortage in Russia, too)?

If, on the other hand, NATO expands in a new role — as the foundation of a European security system for peacekeeping — why the haste to expand? And why is Moscow's opinion dismissed? If there is a reason to hurry, why is Russia not being seriously considered as a member of such a security system?

Why, instead, is it offered only the Partnership for Peace — the "junior NATO" for former Communist countries — and yet another consultative committee? And why are those considered insufficient for the new and aspiring members, while being good enough for Russia?

At best, NATO expansion to the east is seen in Russia as a mistaken policy, fraught with complications and new controversies. At worst, it is viewed as consummation of the "grand design" of encircling and isolating Russia, achieving an overwhelming strategic superiority over it and finally doing away with it as a European power once and for all.

The fact that the reaction in Russia to the Madrid meeting was quite muted should not bring complacency. Summer is a dead season for Moscow politics, a vacation time. No doubt the NATO issue will surface in Russian politics with a triple force in the fall — on the issues of the cuts in the defense budget proposed by the government, ratification of arms control treaties such as START-2, and deep reductions in the size of the army.

In all three cases, the concern raised by NATO expansion will be a major impediment to reaching the right decisions.

One notion accepted in the United States is that the "man in the street" in Russia doesn't care about NATO expansion. However, raise the subject with "a man in the street who is at all interested in foreign affairs" and you will find deep concern. Such men and women number in the millions.

They are pensioners who remember the horrors of World War II. They are members of the military, defense workers, mass media professionals, government workers and political elites. These groups have high turnout rates in elections — or they directly conduct election campaigns, influence public opinion or help shape policy decisions.

As for START-2, which calls for a deep reduction in long-range nuclear weapons by Russia and the United States, the agreement reached in Helsinki in March to extend the period for implementing the treaty by five years improved the pact's chances of ratification by Russia this fall. So did the appointment of a new minister of defense, Igor Sergeyev, an advocate of the treaty. However, the political tensions over NATO enlargement may be used by opponents of the treaty in the Russian Parliament to block it once again.

Personally, I am fully committed to the ratification, but it is worthwhile to keep in mind that the treaty envisions much larger cuts — at much higher costs — in Russian forces than in American forces.

And it should be recalled that when President Boris Yeltsin agreed to that five years ago, when the treaty was negotiated, he could not imagine that NATO would start moving toward Russian borders.

It is surprising that even now some people in the West fail to recognize that Russia, like the United States, is not a homogeneous political player devising sophisticated bargaining strategies. Most Russian political actions are the result of tough domestic infighting, and foreign and domestic events can shift internal balances and affect policy decisions.

Many of those who have been trying to persuade the United States not to expand NATO are the people who have staked their careers (and probably more than that) on Russia's close and fair cooperation with the United States.

They will still advocate ratification of START-2, but against the continuing clamor over NATO expansion their voices will hardly be heard.

I would never claim that Russia has been without fault in its relations with other nations and on domestic issues. I am sure that NATO expansion will not topple Russian democracy. But it will make the goals of Russian democrats much harder to achieve.

The Madrid meeting is universally perceived in Russia (by some with grief, by others with malevolence) as a major defeat of Moscow's policy of broad partnership with the West.

It is considered a great setback for Russian democrats, whose domestic political positions, commitments and reform plans are largely predicated on such cooperation.

The writer is deputy chairman of the Defense Committee of the Russian Parliament and a member of the Yabloko bloc. He contributed this comment to The New York Times.

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What's Changing in Hong Kong

By Philip Bowring

HONG KONG — One could be lulled into believing that there never was a change of sovereignty. After a deluge of news, comment and invention around the time of the handover to China, the world's media understandably decided that they had had enough of Hong Kong.

Meanwhile, Hongkong itself has been too preoccupied with record rainfall and a roller-coaster stock market to think too much about where its new government is leading it.

Midsummer is always a damp and torpid time, and no one expects major developments before October, when good weather should be on hand for Chief Executive Tung Chee-hwa's first policy speech, which will roughly coincide with the Communist Party Congress in Beijing.

The wary local greeting of the handover has been followed by a mild sense of relief that it all passed off quietly.

Few expected trouble, or to see the handover followed by daily displays of the might of the People's Liberation Army. But the fact that the PLA has been confined to barracks has led many to forget that it is here at all.

Beneath this quiet exterior, a lot has happened in the first two months of the Special Administrative Region that indicates the character of the new regime and of local responses to it.

The most appropriate phrase has been used by Mr. Tung himself: This is an executive-led government. Where it is leading may not yet be clear, but that it intends to proceed without much impediment from the legislature or the legal system is abundantly clear.

As Margaret Ng, legal constituency representative in the disbanded legislature, put it: "It will not take long for the inhabitants of the new SAR to realize that their rights and freedoms will depend on administrative clemency and not the protection of law."

The China-appointed Provisional Legislature is pushing through with great haste and minimal debate a significant body of important legislation. This legislature is supposed to be only a stopgap body producing urgent legislation prior to elections next year. In practice, it is proving a quick-acting rubber stamp for everything the executive deems administratively or politically convenient.

Among other things, it unilaterally modified the Hong Kong residency rights, supposedly enshrined in China's Basic Law, of children of Hong Kong Chinese residents.

With no consultation and scant debate, it "froze" labor protection legislation passed by the previous legislature which did not suit the fat cat groups who dominate the provisional legislature.

It will soon pass legislation, arrived at after just seven days of public "consultation," on the system for next year's elections. This will drastically reduce the franchise, introduce a voting system specifically designed to limit the seats won by Hong Kong's most popular party, and give even more influence to narrowly based business constituencies. To frustrate some leading pro-democracy vote winners, it has barred foreign passport holders from the directly elected seats.

Aside from the legislature, there is also already a substantial list of executive decisions aimed at limiting legal challenges to administrative actions and increasing arbitrary decision-making powers — for example, on use of a "national security" pretext to outlaw public gatherings.

More generally, some in the media see a marked decline in the openness of the bureaucracy as the legislature has been tamed and accountability limited.

All this is not universally unpopular. Many thought the previous system too prone to argument and politicking. Some like being executively led even if they don't always trust the leaders.

There has also been a subtle but important shift in power realities shown by currency turmoil in Southeast Asia. Once, Hong Kong wanted to distance its financial system as far as possible from that of China. Financial independence was a cornerstone of "One country, two systems." The recent crisis saw Hong Kong, and the markets, assume that China, which now has its own huge foreign exchange reserves, was important in frightening off speculators and maintaining the Hong Kong dollar peg to the U.S. dollar.

But it is also true that Hong Kong, with its strong streak of distrust of all authority, is not taking either executive-led government or appeals to patriotism lying down.

Although there was an evident increase in media self-censorship in the months leading up to the handover, the situation has not become worse. Indeed, there are signs of greater determination now to exercise old freedoms and test the new limits. Commentators may be wary of being too rude about leaders in Beijing, but they are familiar enough with many of Mr. Tung's acolytes to feel free to display their views, and sometimes their contempt.

Attempts by those wishing to display their "patriotism" toward Beijing to drum up anti-foreign sentiment have fallen on deaf ears. Hong Kong has enough Canadian passport holders, and enough sense of its role in the world, not to fall for that trick.

So Hong Kong is already facing more rapid change than many had bargained for. But Cantonese irreverence, a tradition of bending without breaking, may yet triumph over patriarchal attitudes, "Chinese values" and executive-led decision-making.

International Herald Tribune

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Faure's Visit

LONDON — The *Times*, in a leader on the visit of President Faure to Russia, says: "The significant and striking ceremonies of M. Faure's visit to the Tsar have now come to an end, and the President of the French Republic is on his way home, laden with splendid memories and carrying to his country the assurance of a cordial alliance. At the farewell luncheon on board the Pothuau the Tsar and M. Faure, in almost identical words, referred to the two countries as friendly and allied."

1922: 'Times' Future

LONDON — A great legal battle will probably be waged over the future control of the "Times" and the entire Northcliffe interests. It now develops that Lord Northcliffe made two wills. Lady Northcliffe is the chief beneficiary under both. Sir George Sutton, chairman of the Amalgamated Press (Northcliffe's oldest associate and friend), as trustee under the first will, has entered three caveats against probate of the later will on the ground that the testator was of unsound mind when it was made.

1947: Pfeiffer Beaten

BUDAPEST — A severe beating administered to the leading Hungarian opposition leader and several of his colleagues was assailed by a spokesman for the United States Legation as either "inability or unwillingness of the Hungarian government to provide adequate guaranties for freedom of speech or assembly." The spokesman said that the assault against Zoltan Pfeiffer, former member of parliament and leader of the Hungarian Independence party, was viewed with "serious concern" in view of the next elections.

OPINION/LETTERS

The China Nightmare? Wake Up, America!

By Tom Plate

LOS ANGELES — If America is going to put the worst possible spin on China's motives at every turn, then why not just saddle up for war right now?

When allegations surface that China may have slipped a few million dollars into U.S. campaign coffers, some seem to assume that somehow this alleged act transformed the U.S. government into a Manchurian candidate puppet overnight, with Commies in Beijing yanking the strings.

When U.S. authorities apprehend one lone Chinese merchant ship carrying illegal guns that set sail from a nation of 1.2 billion people and many ports, why not assume that the operation originated with President Jiang Zemin himself? China is nothing more than a totalitarian monolith, right?

Hold it right there, urges Rand, the esteemed think tank in Santa Monica, California. In one of the most important reports it has ever issued, "Chinese Military Commerce and U.S. National Security," Rand's Center for Asia-Pacific Policy takes the voodoo out of contemporary sinology and shows why the China of nightmares is far more frightening than the reality.

Referring to the almost exclusively American fear that China's activities on both sides of the Pacific constitute serious threats to the United States, this timely work of analysis and fact collection deflates a whole roster of overblown headline issues.

It looks at the operations of Chinese businesses in America and finds them mainly nonthreatening, as they are mostly working independently, often competing fiercely against one another.

It assesses the shipment of illegal armaments by companies in China and agrees that this needs to be watched carefully. But the report adds this context: China is less an awesome military or security threat than a disorganized and decentralized (if fast developing) nation coping frantically with enormous domestic problems.

By emphasizing the largely fragmented and frequently noncooperating structure of China's military and civilian establishments, the report suggests that the picture of an anti-American conspiracy directed by an all-scheming Beijing master class is a fanciful hallucination indeed.

The report warns against the tendency to lump the many law-abiding Chinese companies into the same category as those few that do violate U.S. laws, as if all Chinese companies were guilty until proved innocent. This mistake, it says, "will only exacerbate the atmosphere of paranoia and suspicion in the overall relationship."

As for the much vaunted private-sector business operations of the People's Liberation Army, the report says most of them lose money, even though they are intended to supplement military wages in the face of past budget cuts.

What about those suspicious Chinese arms exports to Third World countries? Again, the report counsels us not to assume that Beijing has strong central controls over all its arms exports. It therefore approvingly singles out former Secretary of State Warren Christopher for handling the controversy over chemical weapons shipments to Iran by having U.S. sanctions slapped on the exporting Chinese companies involved, not on the central government.

Regarding dual-use technology sent to China — the sale of software or hardware that conceivably could be used for warlike as well as peaceful purposes — this, the report agrees, must be watched like a hawk.

But, again, hold your missile fire. America's bilateral strategic relationship with China, reminds the report, "is arguably the most important in the post-Cold War world and should not be disrupted by what are ultimately second-order issues."

Moreover, China is still so technologically underdeveloped that its ability to absorb and deploy sophisticated U.S. technology is extremely limited.

What this detailed report does not go into is the heretofore limited focus and imagination of Chinese foreign policy. But in its most recent twists and turns, Beijing has offered less menace than opportunity.

In volatile Korea, for instance, China has remained at worst neutral. Ground is being broken on a huge U.S.-brokered energy project in North Korea that could never have got to first base without Beijing being on the team.

A former U.S. arms control official, Michael Nacht, noted in a recent speech at UCLA: "There appears to be a substantial tilt by Beijing toward South Korea. By contrast, China's relations with North Korea are more limited and strained than in the past."

Until recently, China loosened its purse strings for virtually no one in Asia. In a stunning move this month, it extended $1 billion in emergency credit to baht-battered Thailand.

We Americans must avoid demented demonizations of Beijing simply because it is still nominally Communist, just as we must also not fall prey to unblinking approval because all we can see over there are potential dollar signs. We need a foreign policy driven by relevant facts and intelligent analysis, not by old myths and new hatreds.

Charles Wolf, dean of the Rand Graduate School, cautioned: "We will have trouble with China. They see the world differently from us." It's a wise caveat to keep in mind.

Even so, I also fancy the way Mr. Nacht responded to America's let's-contain-China crowd. "Engagement," he said, "is containment."

The Los Angeles Times.

Culture Bank Turns Mali Village's Art Into an Asset

By Perdita Huston

FOMBORI, Mali — This village of a thousand souls is not easy to find. An unpaved road winds out of Douentza, a market town 160 kilometers south of Timbuktu, to where Fombori nestles in the cliffs of Dogon country.

Fombori's farmland is poor. Desertification and drought are ever-present. Young people drift away to towns, and village elders deplore the loss of Dogon traditions. Yet from this inauspicious setting comes a unique answer to questions of poverty and pride, a story of democracy at the service of cultural preservation.

MEANWHILE

A few years ago, Aissata Ongoiba, president of the Fombori village women's association, traveled into the Dogon hills to visit relatives. It was tourist season and her relatives' village had organized a craft fair, hoping to sell to the visitors who come to hike the Dogon cliffs and observe Africans' ability to survive in seemingly hopeless conditions.

Carved statues and masks, beaded gourds, handwoven materials were eagerly purchased by passing tourists. Aissata took the story of this phenomenon back to Fombori. She told the women's group of her discovery, of how visitors value Dogon crafts.

But, she cautioned, visitors also wanted to buy traditional ceremonial objects that should stay in the village. Like her country's leaders, she worried that Mali's national heritage was being sold off as little more than souvenirs.

Her dream was to create a museum for ceremonial objects that would attract visitors to Fombori who might then want to purchase the women's handicrafts.

During the next two years, constant meetings among the local women's organization, the town council, a district cultural official and two Peace Corps volunteers resulted in a small grant from a donor agency and the construction of a five-room mud and brick building. It was dubbed the Dogon Village Museum, and the townspeople elected a board of directors to oversee its operation.

Alas, given its remote site Fombori's museum failed to attract sufficient visitors to sustain itself. Also, villagers were reluctant to place family ceremonial art in the museum. What was needed was an incentive.

In a village as poor as Fombori, the best incentive turned out to be credit. Why not link villagers' need for small loans with the museum? The museum's board hired a bank manager and placed him in charge of the initial loan capital of $391.

Villagers could qualify for loans of from $5 to $40 when they put a family heirloom in the museum as collateral. The loan amount was determined on the basis of verifiable historical information on the artifact. Loans to be repaid within four to six months at a modest interest rate were to finance the museum's activities. Soon, objects never seen before began to emerge from Fombori's modest homes for display in the museum. The Culture Bank was in business.

From one of the world's poorest nations has come a unique answer to cultural preservation.

Mali is one of the world's poorest nations. Yet from it has come a treasure of an idea: how to preserve cultural heritage by making it a living asset at the service of community development.

Fombori's art is in a museum for its children to see. They watch with pride when visitors from afar come to marvel at their ancestors' art. Villagers do not sell their artifacts in time of need: they remain their property.

The official inauguration of the Culture Bank consisted of much drumming and dancing, the consumption of five roasted goats and the display of villagers' finest outfits. From four years of village debates and construction work, a new institution had emerged from the least likely of sites. Aissata now shares her vision with Fombori's villagers, development workers and, at last, museum visitors like me.

The writer, a journalist and author, is serving as director of the U.S. Peace Corps in Mali.

LETTERS TO THE EDITOR

Ban Land Mines

Regarding "Sorry, Banning Land Mines Is Not a Good Idea" (Opinion, Aug. 22) by Frederick Bonnart:

Mr. Bonnart used the same kind of arguments as the National Rifle Association supporters do to defend free access to guns: The destructive effect of the weapons just depends on who uses them and the bad guys can always obtain them even if they are illegal. This is true, but the fact remains that a great deal of accidents occur because those weapons circulate too easily. The fewer land mines and handguns on the market, the less people will have access to them.

Mr. Bonnart's suggestion that nations keep a record of land mine positions is unrealistic. Would troops set up sign posts next to each mine to warn children who might be playing in the vicinity? The only way to reduce the number of innocent victims is to reduce the number of land mines in the fields.

VINCENT SMITH.
Courbevoie, France.

Mr. Bonnart said land mines can be easily mapped and later removed, and that warring parties could agree on post-conflict mine clearance.

It would be nice if modern warfare and its aftermath were that simple and civilized. Today's conflicts are messy and shift back and forth over the same contested ground. Antipersonnel mines are usually laid in profusion under volatile conditions and are seldom accurately mapped; once laid they can be extraordinarily hard to detect. This is why so many people are still being maimed by mines on a daily basis.

PHILIP C. WINSLOW.
London.

Learning From India

Regarding "India: The Criticism Is Justified but Overdone" (Opinion, Aug. 18) by A.M. Rosenthal:

Hats off to Mr. Rosenthal for getting emotional about India, and for giving India a break.

Maybe there is something endearing about the way that India, assuming all its diversity and burdens, has doggedly stuck with democracy and a certain system of values. Maybe there is something amiss about the West preaching democracy to Third World countries, yet being intolerant about its flip side.

Progress in India is not nearly that of the Asian tigers, but at least it is mature and democratic.

CHAND KAUL.
Chêne-Bougeries, Switzerland.

On the Golan Heights

Regarding "Mideast: The Solution Is Still 'Land for Peace'" (Opinion, Aug. 18) by Stephen S. Rosenfeld:

The phrase "land for peace" is a misnomer.

Israel is obviously holding onto the Golan only for security reasons, as it is worth close to nothing. After the creation of the state of Israel, Syria used the Golan Heights to shell Israeli villages. When Syria attacked from the Golan Heights in 1967, Israel counterattacked and conquered the territory.

Germany attacked Poland in 1939 and Russia in 1941, but was later defeated. So now Breslau (Wroclaw) is Polish and Koenigsberg (Kaliningrad) is Russian. Hundreds of other towns were taken back from the German aggressor by Russia and Poland, but is anyone demanding that Russia and Poland withdraw from Kaliningrad or Wroclaw?

History shows that wars always nullify former situations. By the same logic, the Golan should remain Israeli.

MICHEL BROCHETAIN.
Paris.

Hitler Was Given Power

Regarding "Cologne Faces Reality of Nazi Past" (Aug. 15):

The article said that the election in March 1933 was "the last before Hitler took power." In fact, Hitler did not "take power," but was appointed chancellor by President Paul von Hindenburg on Jan. 30, nearly two months earlier.

EUGENE SELESKOVITCH.
Houilles, France.

Totalitarian China

Regarding "A New Credo for a World (Mostly) at Peace: Make Money, Not War" (Aug. 25):

I take exception to the statement that "no Stalin, no Hitler, no Mao visits the cruel whims and devices of totalitarianism on vast numbers" of people in the world.

China is most definitely a totalitarian state. It has visited unspeakable atrocities on the people of Tibet, and it continues to do so. Deforestation, torture and murder are commonplace. Tibetans, who as a result of a Chinese invasion are now a minority, are routinely forbidden to practice their religion.

The genocide of the Tibetans and the destruction of their culture rival the horrors of the Holocaust. But this remains largely ignored, perhaps deliberately, by the type of money-loving people described in the article who are eager to do business with China. The lure of profit that China dangles in front of the world indeed masks a "new form of economic imperialism."

NORMAN JACKSON.
Paris.

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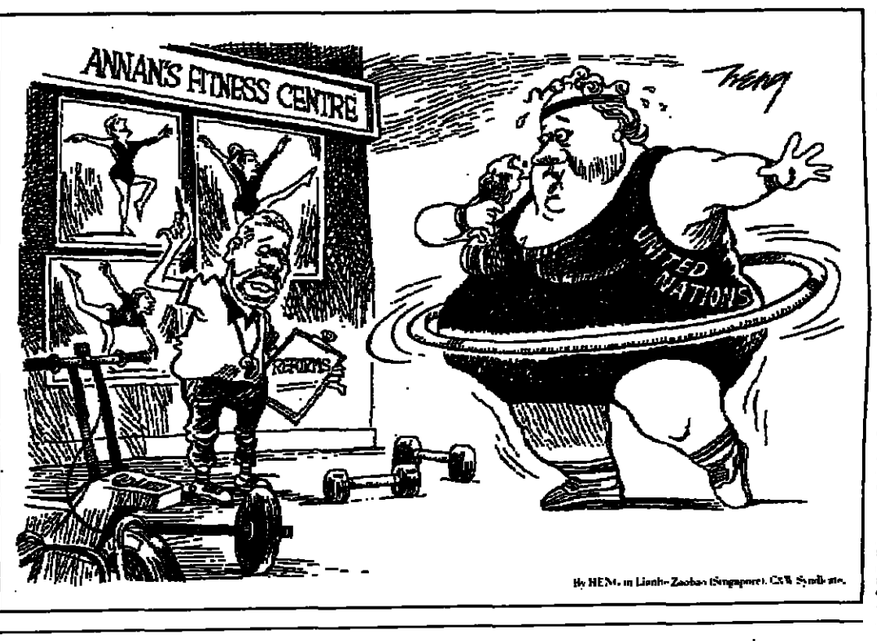

By HEM, in Lianhe Zaobao (Singapore). CWS Syndicate.

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THE WORLD'S DAILY NEWSPAPER

Cyberthieves Take America Online Subscribers for a Ride

By Rajiv Chandrasekaran
Washington Post Service

WASHINGTON — The electronic-mail message recently sent to America Online Inc. subscribers looked official enough. Titled "Important AOL information" and bearing the signature of the company's Member Services department, the message provided an update of the on-line computer service's efforts to fix its busy-signal problem.

At the end of the note, subscribers were asked to jump to a World Wide Web page — which featured a letter from AOL's chairman, Steve Case — where they were asked to enter their name and address as well as their home phone number and credit-card numbers to update AOL's new computers.

But what unsuspecting subscribers really were updating, officials say, were the files of a cyberthief trying to commit credit-card fraud.

That scam, perpetrated earlier this month, is the latest in a series of increasingly bold and sophisticated on-line ploys to wrest personal information from AOL subscribers and Internet users in general. Although law enforcement officials say they have no way to tally the cost of such crimes, industry specialists estimate it is costing consumers millions of dollars a year.

"This is a serious problem that's growing exponentially," said Richard Power, analyst at Computer Security Institute in San Francisco. "Criminals are becoming ever more clever at manipulating people in the on-line world."

Con artists have long used phones, the mail and face-to-face pitches to wheedle personal information out of people. Electronic mail, however, represents a new and potentially easier medium for committing such crimes, according to industry observers and law-enforcement officials.

"It's relatively easy for fraud artists to look like legitimate companies," said David Medine, associate director for credit practices at the Federal Trade Commission, which investigates e-mail fraud. "That's one of the problems inherent in the technology."

With e-mail, Mr. Power said, "you don't have to worry about masking your voice or putting on a disguise."

AOL subscribers have received several messages in recent months that aim to swipe their credit-card numbers. The messages included offers for free time on the service and a request to re-enter billing information to confirm a new payment plan, executives said.

AOL is not alone. Such scams recently have been tried on subscribers to other on-line services and on people who have direct connections to the Internet, industry analysts said.

Yet AOL has been especially attractive to those seeking to commit fraud because of its size — it has more than 8.5 million subscribers — and because many of its customers are on-line neophytes.

'Criminals are becoming ever more clever at manipulating people on-line.'

AOL officials say they investigate reports of credit-card fraud and report incidents to law-enforcement agencies. In the case of the most recent scam, the company said it was alerted to the message by subscribers and its own employees the day the message was sent, and was able to have the Web site that was collecting subscribers' information shut down that day.

Tatiana Gau, AOL's vice president of integrity assurance, said all the credit-card scams were under investigation by the company and law-enforcement authorities. "They are all ongoing investigations," she said. "There has been no conclusion of the cases at this juncture."

But the company conceded it could do little to squelch the scams other than alerting subscribers not to part with personal financial information on-line.

The come-ons, however, can be remarkably smooth. The message sent to AOL subscribers this month sounded much like AOL's recent television spots and official correspondence with customers: "As you know, the number one priority for all of us at America Online continues to be meeting our obligation to provide you with the best possible service."

The note then asked the reader to click on a highlighted section of text. Clicking on the text sent users to a Web site outside the AOL service, where they were asked to type in their personal information.

Ms. Gau said it appeared the site was maintained by at least three computers across the United States, but she declined to release additional information pending the company's investigation.

In addition to the credit-card scams, many AOL users also have been sent e-mail recently by con artists trying to get their system passwords. The messages offer such things as a free pornographic picture or a piece of software that will increase a computer's performance. To get the gift, the user must open a file that is attached to the message. When the file is opened, however, it starts a program that surreptitiously collects the subscriber's account name and password — and sends it back to the hacker who sent the message.

Such "Trojan Horse" programs also are frequently sent to Internet users and subscribers of other on-line services. Computer security experts warn users not to open attached files unless they know the person who sent the message.

"People need to be as skeptical in the on-line world as they are in the off-line world," Mr. Medine said. "Just because it's coming over a computer and it's got a nice-looking electronic image, that doesn't mean it's official."

• Recent technology articles: www.iht.com/IHT/TECH/

ASYLUM: *Aliens Use Loophole*

Continued from Page 1

gration inspector and spokesman for Britain's immigration workers union. "It is the only way to get into Britain without a document."

"This no longer is ordinary illegal immigration but a coordinated criminal assault on a wide-open breach in our frontiers. It started with Somalis, spread to Turks, and now criminals in other countries are joining in," Mr. Tincey said.

From January to June, 404 Somalis without documents arrived in Britain, 229 of them at Waterloo by train. In July alone, more than 400 other Somalis without papers arrived at Waterloo, according to a spokesman for the Home Office, which is responsible for international security.

Officials say Paris is the preferred jumping-off point for the people smugglers because service from there is more frequent than from Brussels, the other major continental terminus, and Paris offers a larger multiethnic community in which to operate.

During one weekend this month, 118 Somalis and 42 Turks walked off trains from France to request asylum.

"We were near meltdown that day at Waterloo," Mr. Tincey said. "The staff couldn't cope. It takes around five hours for an immigration officer to complete the initial interview with an asylum seeker."

In theory, there are no longer frontier controls in the 15-nation European Union, but Britain insists on tightly controlling its borders. There are special walk-through lanes for Europeans arriving in this country by air or ferry, but all others, including Americans, face potentially long lines and one-by-one examination by an immigration officer.

Airlines and ferries that bring undocumented passengers into Britain face fines of around $3,000 a person.

When regulations for the Chunnel train were drawn up, however, frontier-free was the byword, and train operators were exempted from such liability. So Eurostar does not check documents either in Britain or at its terminals in France and Belgium.

As it competes with airlines in the time-is-money world of international transportation, Eurostar prides itself on its short check-in times: as little as 10 minutes before departure for first-class passengers, 20 minutes for others. Travel time from central Paris to central London is three hours.

The Home Office said that when the number of asylum seekers began to swell, Immigration Minister Mike O'Brien demanded that Eurostar officials "tackle without delay the problem of asylum seekers arriving without proper documents."

"We fully agree that there is a problem, and we are working with our colleagues in the French national railways to find a permanent solution," Leslie Retallack, a spokesman for Eurostar, said last week.

Making Eurostar liable is being considered, Mr. O'Brien said. The company could be required to establish expensive document checks and perhaps to increase check-in times.

The new random document checks by French police at Gare du Nord are being applauded, but Mr. O'Brien described them as "a temporary solution."

According to Home Office figures, there are about 53,000 asylum cases awaiting final decision in Britain, the second-largest number in Western Europe. Because of its borders with East European countries, Germany has about 10 times as many.

RUSSIA: *Moscow Produces a Baby Boom*

Continued from Page 1

about life in general," Dr. Kalugina said. "At least in Moscow they feel that maybe things are going the right way. We are seeing women who have put these decisions off and now, facing them again, they have decided that maybe it's worth taking the chance."

The increase in pregnancies began in the summer of 1996, immediately after President Boris Yeltsin defeated his Communist challenger in a presidential election widely seen as a turning point for Russia.

Because statistical reporting on births varies greatly in different regions of Russia, it will not be clear until next year whether the climb in Moscow's birth rate is part of a national trend or whether — as is often the case — behavior in the capital has no clear relation to the rest of the country.

But here, at least, the change is clear. In the first half of 1997, more than 50,000 babies were born in Moscow. Only 72,000 were born during all of 1996, according to statistics from the city Health Department. While the birth rate remains low by any standard — New York City's, for example, is more than twice as high — if the early figures hold, women in Moscow will have 35 percent more babies this year than they did last year. It is the first such growth spurt in Russia since before the collapse of the Soviet Union in 1991.

The change is palpable. Maternity wards at nearly every type of hospital are far busier than just a year ago, and pregnant women — a true rarity in a country that competes with Italy and Spain for the lowest birth rate in the world — are visible on the streets again. There are several new baby stores in Moscow and a heavily advertised children's furniture store has just opened on Prospekt Mira, an expensive shopping street.

"All my friends are talking about this all of a sudden," said Irina Anisova, 28, who is expecting her first child. "I don't really know why anybody would be afraid to do it."

Not even the most optimistic analyst could interpret a surge in Moscow's birth rate as a sign that Russia's devastating demographic problems have come to an end. Life expectancy for men, 59, is lower than in any other developed country and the mortality rate of 15.1 deaths per 1,000 people puts Russia ahead of only Afghanistan and Cambodia among the countries of Europe and Asia. The death rate among working-age people in Russia today is higher than it was 100 years ago. New data show that annual alcohol consumption — now a world-high at 27.3 pints per person — doubled between 1990 and 1995.

Furthermore, the remarkable drop in the fertility of Russian women — so often attributed to the uncertainty and economic strains of post-Communist reforms — has been under way for decades. Although the decline in the birth rate in Russia, from 23.2 per 1,000 population in 1960 to 9.0 in 1995 seems dramatic, it really reflects changes that have transformed the developed world as women leave the farm, move to the city, and are presented with greater choices in how many children to have.

Not since before World War II have Russians produced enough children to replace all the people who were dying. Until recently that was not considered so serious a problem; again, it is common in the West. But the number of children born in Russia between 1990 and 1995 was 3.7 million fewer than the number born between 1985 and 1990. At the same time, the death rate accelerated. As a result, the population of Russia is shrinking rapidly and may continue to do so for years.

"You can look at Moscow in the past two years and see that things are better and that families are more secure," said Vladimir Borisov, a demographer who teaches in the sociology department of Moscow Pedagogical University. "So my guess is that some women, usually older and more prosperous women, are choosing to have children."

"But the long-term trend is down and it's going to stay down," he said. "This is something that has been happening in the entire world. Civilization does not need as many children as it did 100 years ago. I don't think this is the beginning of a huge swing upward, but I also think people have stopped wondering if the high price of sausage means they can no longer have a family."

The final birth rate figures for 1996, just made available, show that Moscow was one of only four regions — in a country with 89 — that showed a slight increase over 1995. The city's mayor, Yuri Luzhkov, has added to the incentives for childbirth. Beginning next month every woman who is pregnant will receive a free, hourlong video on how to feed and care for an infant.

"It doesn't seem as horrifying to me as it did before," said Natasha Yalkin, 28, a secretary at a private real estate company here. "I don't know if it's actually the political situation or the money or what. But I feel the climate is better, the hospitals are better and maybe the country is getting better, too."

James Hill/The New York Times

A maternity ward nurse caring for babies in Moscow, where births are running 35 percent higher than last year.

DE KLERK: *Quits as Party Chief*

Continued from Page 1

though." Mr. de Klerk offered several reasons for his resignation, including the need to give the party a chance at being seen as a wholly new entity.

"With my retirement I wish to open a door for the National Party to provide further proof of its dynamic break with the past, with a view to best enabling it to play its full role in the realignment process," Mr. de Klerk said.

He also said it was a recognized principle of good management that a manager could not be effective for much longer than eight years and "so too a party leader should not be at the helm for longer than this."

He said that after his resignation becomes effective on Sept. 9, he would devote his retirement to writing his memoirs, so that his version of South Africa's turbulent and racially divided past would be recorded.

In the last 18 months, Mr. de Klerk has been crisscrossing the country trying to convince anyone who would listen that the National Party was ready to remake itself. But the reaction to his vision of a broad-based party championing family values has been tepid.

At the same time, his efforts have thrown his own party into turmoil with older conservative leaders resisting changes. At one point, earlier this year, Mr. de Klerk apparently bowing to those hard-liners dismissed his heir apparent, Roelf Meyer, from a key position in the party.

In response, Mr. Meyer quit the National Party to start his own, and dozens of National Party leaders have followed him out the door.

In July, Mr. Meyer announced that he would merge his new party with the party of a popular black leader, Bantu Holomisa.

Mr. Mandela said Tuesday that Mr. de Klerk deserved an honorable place in history. "I only hope South Africans will not forget the role de Klerk played in effecting a smooth transition from our painful past to the dispensation South Africa enjoys today," Mr. Mandela said.

DEFECTION: *North Korean With Missile Details Flies to U.S.*

Continued from Page 1

effect on the missile talks, nor do we believe that this will have any effect on the four-party talks," said Mr. Rubin. "Nor do we see this as connected to some collapsing of the leadership."

The defections were likely, nonetheless, to be a major embarrassment in Pyongyang, the North Korean capital.

Mr. Chang had been scheduled to return to North Korea next month at the end of a three-year assignment.

He had been missing since Friday, when he failed to report for work in Cairo.

Egyptian government sources there told The Associated Press that Mr. Chang was flown out of that capital on Monday, using a false name and American travel documents.

Cairo serves as North Korea's diplomatic headquarters in the Middle East, and U.S. officials will be keenly interested in debriefing Mr. Chang. Before being assigned to Cairo in 1994, he was deputy foreign minister in charge of the region.

U.S. administration officials at first declined to discuss the diplomatically sensitive defections.

As to what information the ambassador might be able to provide, Mr. Rubin was circumspect, saying that such information was "of a character we don't normally discuss."

He would not say whether South Korean officials would be given access to the ambassador.

In Seoul, analysts who follow North Korea told Reuters that Ambassador Chang could shed important light on its reported sales of missiles and other weapons technology to Syria, Iran and Libya. "Chang should have access to first-class information on missiles," said Kim Koo Seup, the chief North Korea researcher at Seoul's state-funded Korea Institute for Defense Analysis.

Mr. Kim said that North Korea had exported the Scud-B missile, with a range of 300 kilometers (175 miles) and the Scud-C, with a range of 500 to 600 kilometers, to Middle East nations. The Scud-C is an upgraded version of the Soviet Scud-B.

In a report to Congress issued last month, the CIA said that during the latter half of 1996 North Korea and Russia had supplied Egypt with equipment to build medium-range Scud ballistic missile.

It also said that Syria was seeking equipment for missile production from North Korea and Iran.

Iran, in turn, reportedly has upgraded a Scud missile, with North Korean help, to give it a range of up to 1,300 to 1,500 kilometers.

Some analysts worry that unless North Korea's transfers are restrained — possibly as part of the broader negotiations it has entered into with Washington, Seoul and Beijing — Pyongyang may begin selling longer-range missiles.

Park Sung Hoon, senior North Korea analyst at the National Unification Ministry, said that Mr. Chang's defection would not have a major impact on the four-party peace talks.

SWEDEN: *A Chilling Chapter*

Continued from Page 1

because she was considered to be mentally inferior. She said one day the school superintendent told her to come to his room and sign some papers. "I understood what this was about," she said, "so I ran into a toilet and sat there and cried for a long time for myself."

Sweden, with its long-standing progressive stances on social issues, is not accustomed to being on the defensive on ethical issues. "This is a frightening picture that now is being shown to the Swedish people," Alf Svensson, chairman of the opposition Christian Democratic Party, said in a letter to Prime Minister Goran Persson.

■ Similar Program in Belgium

The sterilization of mentally handicapped people is still being practiced in Belgium, but the procedure is only carried out with the patient's permission, Agence France-Presse reported Tuesday from Brussels, quoting a Belgian Health Ministry spokesman.

"This procedure is only carried out on adults who are declared incapable by the law courts and whose intelligence quotient is very low," the health ministry spokesman said. He underlined that the patient always has the final say.

The Washington Post

A Beijing resident sleeping on a mat in front of a house bearing the character that means "destroy." Many old houses are coming down for modern apartment blocks.

BEIJING: *Falls to the Golden Horde (of Developers)*

Continued from Page 1

rings of walls: the city wall, the courtyard house walls, the walls of the Imperial Palace and, at the center, the deep red walls of the Forbidden City, home of the emperor. Although they were ineffective as military structures, the walls reflected China's tendency to look inward rather than out, resist foreign influence rather than welcome it. And at the core of the society lay the family unit.

After the Communists seized power in 1949, the party chairman, Mao Zedong, leveled several neighborhoods to create the vast Tiananmen Square at the city center. Around it, he erected Soviet-style buildings such as the Great Hall of the People.

The designs were examined at the highest levels of government; Mr. Zhang, who designed the History Museum and Museum of the Revolution on Tiananmen Square, was pressed by Premier Zhou Enlai to make its columns more massive.

Later, Mao ignored appeals from Liang Sicheng, a Chinese architect trained at the University of Pennsylvania who was charged with drawing up a city plan in the 1950s. Mr. Liang had urged Mao to create a new city outside the city walls to absorb future growth, while maintaining the inner city as a living museum and residential area. The walls, he suggested, could be lined with plants and benches and turned into an elevated park.

Instead, Mao ordered the destruction of the massive walls, first built by a Ming Dynasty emperor in the early 1400s, to make way for a ring road.

"The city wall was like a frame to a painting," Mr. Zhang said mournfully, "and the gray color of courtyard houses was like the background color." Only one of the 13 gates in the city walls was preserved. Recently, a small section of the wall has been reconstructed.

Despite Mao's projects, much of old Beijing remained unchanged, with low-lying homes and narrow lanes, known as *hutongs*, that numbered in the thousands. The courtyard homes, originally constructed for wealthy merchants and high-ranking officials, were built with strong roof beams, small gates, ornate door handles and carved stones at the entryways.

"The city of Beijing is like a magnified quadrangle, symmetrically and neatly arranged and surrounded rectangularly by high walls," wrote Xu Yong, a photographer who has documented the old city. "This lends magnificence to the city."

He wrote that in 1990, when hutong neighborhoods still occupied a third of Beijing and provided housing for half the population. Now these neighborhoods house barely one-tenth of the city's population.

Beijing's sense of neighborhood and community has been pulverized along with peoples' homes. Residents used to meet in courtyards, squat on front stoops, play checkers on sidewalks or pass the dark alley walls as they walked or biked home.

Now most fight their way home, dodging automobiles along broad avenues illuminated by overhead lights. They arrive at nondescript high-rises that dwarf them and scurry up stairs or ride elevators to their isolating compartments. Communities have been atomized: the individual is alone.

To be sure, old courtyards look more charming from the outside than inside. Homes meant for one wealthy family each have been jammed with more than a dozen families housed in ramshackle additions that fill in much of the original courtyards. Coal briquettes, bicycles, brooms and other household items clutter passageways.

The new apartment buildings have more space and central heating, and during the Cultural Revolution of 1966-76, neighbors could be tormentors or spies.

Nonetheless, an opinion survey by Qinghua University researchers indicated that only 20 percent of the people in one new housing project were satisfied with their new homes. Twenty-eight percent said they would to go back to their old homes if they could. The rest preferred other options.

One Beijing worker said that his wife preferred their new apartment's more modern appliances and larger space and that she does not miss former neighbors because she was not very sociable. But he is unhappy. Once he biked 15 minutes to work; now he pedals hard to make the journey in 45 minutes — a brutal commute in heat, cold or rain.

But the relentless force of real estate development is difficult to resist.

"I doubt, even if we can come up with a zoning plan, that it can effectively control developers," said Mr. Lu, the Qinghua architect who is helping draw up a new Beijing master plan. During the two years the planning group has been working, many preservation debates have been settled by bulldozers and sledgehammers.

Kurt Kranz, Painter and Bauhaus Adherent, Dies at 87

Agence France-Presse

HAMBURG — Kurt Kranz, 87, the German painter who was one of the last representatives of the Bauhaus movement, died Friday.

"Of the generation of Bauhaus disciples, Kranz was among the most prominent," said Wulf Herzogenrath, director of the Bremen Arts Hall.

Kranz taught in Hamburg from 1950 to 1975, as well as in the United States and Japan. At the Bauhaus in Dessau, he was a student of Paul Klee, Vasily Kandinsky and Josef Albers from 1930 to 1932.

Edgar Shannon Jr., 79, Scholar

NEW YORK (NYT) — Edgar Shannon Jr., 79, a former president of the University of Virginia who was outspoken against the Vietnam War, died Sunday of cancer at his home in Charlottesville, Virginia.

Although Shannon served in the Navy in the Pacific Ocean, was overseer of two U.S. military academies and left his stamp on the Central Intelligence Agency, he is best remembered for his dramatic stance against the war.

STAGE/ENTERTAINMENT

TOMORROW: LEISURE SCIENCE

'Porgy and Bess' in Austria: Far From Catfish Row

By Craig R. Whitney
New York Times Service

BREGENZ, Austria — "Porgy and Bess" is a parable of life in today's black American ghetto, said one of Europe's most celebrated opera directors, and he insisted on an unorthodox production here that made Catfish Row look like Los Angeles after a race riot.

But the director, Goetz Friedrich, did not reckon on a cast of black Americans and a white American conductor, all of whom insisted "It ain't necessarily so."

The heavens opened on the vast Bregenz Festival open-air stage on Lake Constance at the premiere in July, sending the production temporarily into more traditional and intimate stage surroundings inside. "We've got our opera back," the conductor, Andrew Litton, said then.

By that time Friedrich had stormed out of a meeting with the cast members, who were upset by the living conditions that festival organizers had provided for them in a boarding school and by the deafening explosions accompanying the opera's storm scene on the amazing outdoor set: an apocalyptic Los Angeles freeway ruin balanced precariously above the lake, instead of the setting at the edge of Charleston, South Carolina, that DuBose Heyward and Ira Gershwin envisioned in their libretto for the 1935 work.

In the end, George Gershwin's music and the richness of the characterization in the drama came through, and 186,000 people, mainly German speakers, welcomed the production warmly. But it also laid bare a cultural gap about as wide as the Atlantic between Europeans and Americans.

"The idea was to show a social earthquake, a place where communication has been broken," the director of the festival, Alfred Wopmann, told members of a visiting American orchestra, the Dallas Symphony, led by Litton, which closed this year's festival with a concert Thursday.

"Because the stage is out in the lake, they always try to find a different slant," Litton said. The musicians laughed when he added, "I think they succeeded in 'Porgy and Bess.'"

Victor Pond, a member of the chorus who said he probably would not be back next year, described the experience as "two months of hell."

"The organizers said they had never confronted anything like this before," he said. "We said, 'You've never dealt with Americans before.'" he added, although he is originally from Panama.

Pond said that the chorus and the dancers had complained to the management after being rousted out of their hotels to make room for paying audiences, and housed in the Mehererau Gymnasium, a private boarding school where they found no private washrooms, no private toilets, no cleaning staff and no cooking utensils.

WHEN they tried to express their concerns about safety to Friedrich, he was offended. "We were told that a cast never confronted a director in Europe," Pond said. "We organized ourselves, got legal advice and in the end we won a settlement."

The settlement was $3,200 a person, in addition to the $4,200 each in the original contract for members of the chorus. The conductor won other, smaller disputes but lost the overall battle.

"I grew up with the view that this was an intimate piece," said Litton, "and it couldn't be in this production."

"If we changed the key of the music, we'd be in trouble, but the staging seems to be able to do anything it wants," he said. "There's always been more of that in Europe than in the United States. They've always had so much money here."

The colossal staging alone cost $6.6 million in a $21 million production, Wopmann said, 30 percent of it coming from state, local and city subsidies.

Gordon Hawkins, in the role of Porgy in the last performance, wondered whether the staging distracted attention from the music at the very end of the opera, a poignant moment when Porgy sets off for New York to look for Bess.

Most of the audience at that point is looking up at the top of the ruined highway, 50 feet (15 meters) above the lake, where daredevil stagehands are unfurling a banner that appears to show a black fist clutching a rainbow.

"I couldn't do anything about that," Litton said, but he did persuade Friedrich that the African drums that open the production — a touch some of the American cast also found objectionable — should be taken offstage after only a few minutes. And, he said, he persuaded the director to delay the arrival of a police boat, its siren screaming, until the music is about to end at the close of the first scene.

CRITICS observed that Litton had succeeded in getting the Vienna Symphony to swing authentically to the music.

"The music is not always written the way it should be played," he said. "They had no trouble getting that right away, because the Vienna waltz is also not written the way it's played."

Arthur Woodley, who sang Porgy here, said: "I'm more used to this opera being set in Charleston in the 1930s, and now it's in the teeth of L.A., and you had to make adjustments. When Porgy's being questioned by a policeman about the murder in the first act, his line is 'I don't know nuttin' 'bout it, boss.' You can make that sound cowering or confrontational, and I put an edge on it in this production."

Wopmann conceded that the shortage of suitable hotel rooms had caused problems for the cast this year and said he hoped many would return when the production is done again next summer.

Because of the bad weather at the premiere and a heavy rehearsal schedule in Berlin, where he is general manager of the Deutsche Oper, Friedrich never saw a performance of his production for the outdoor stage here.

"I wanted a production that took account of the fact that we are living in another era in 1997 and 1998 than the 1930s," he said. "I heard that there were people living under bridges and in tunnels in New York City and thought that an urban setting like Los Angeles or the Bronx was as good a way of dramatizing the lives of these people on the margins of society today as the South was in the 1930s."

"'Porgy and Bess' is neither just a musical or just an opera," he observed. "It's all those things together, creating something new, a sui generis work."

LONDON THEATER

New 'Seagull' Is Minimalist

By Sheridan Morley
International Herald Tribune

LONDON — More than one "Seagull" is flying around London this late summer. Like "King Lear" a year or three ago, it seems to have become suddenly hot, whether at the Old Vic in the enchanting Peter Hall/Felicity Kendal version, or now, at the Donmar Warehouse in a more radical if less ravishing staging by English Touring Theatre.

This inevitably is a bare-bones production (in a new translation by Stephen Mulrane) and has been on the road since early May, but the Warehouse is perfectly suited to such minimalism, and the director Stephen Unwin has found all kinds of virtues in necessity.

Like Coward's "The Vortex," Chekhov's classic is a "Hamlet" variant oddly unwilling to acknowledge its source; but until we understand that both these dramas of country house owners in decline (they were, after all, written less than 30 years apart, at times of massive social and moral change in both Russia and Britain) are essentially extensions of the Hamlet/Gertrude closet scene, we are never fully going to appreciate what is going on between mother and son, and although it has always been possible to find other things at stake in both scripts, the question of at least intellectual incest should never be this far from the surface.

Here we get Cheryl Campbell as an unusually bitchy, outlandish Arkadina, an actress forever about to send in the clowns but whose career seems to have been little more successful than that of the doomed Nina. Equally, Duncan Bell's Trigorin is now a self-hating, defeated novelist instead of the starry Moscow writer more usually discovered in the character. There is not a lot of difference between him and Arkadina on the one hand, and Konstantin and Nina on the other; the older couple may have escaped the stifling boredom and lethargy of her country estate, but the bright lights and the big city have apparently brought them no greater satisfaction and only marginally better incomes.

As a result, at least one of the central conflicts here — commercial success versus artistic failure — is denied us, and we are left with a group of depressives essentially trying to work out whether they would rather be depressed in the country or the town.

Forced to play with the aid of a crutch, Mark Bazeley makes of Konstantin a suitably angry young man, perhaps rather too close to Jimmy Porter for period comfort, but one for whom it is impossible to feel much sorrow at the final suicide; the only real question here is why he didn't do it sooner.

As for Nina, Joanna Roth comes up with a young drama student whose career, again, seems to have fallen apart in much the way one might have predicted from her self-consciously terrible performance at the outset in Konstantin's horrendous little verse drama.

THE idea that some great talents have gone missing here is itself missing throughout, and I found myself more often than usually reminded of my two favorite critical responses to the play: a 1929 London critic who wrote that Lenin was right to kill them all, and a Broadway reviewer who felt, two decades later, that all of Konstantin's problems could have been solved by an athletics scholarship to a decent university.

To the Theatre Royal Haymarket we welcome back yet again Peter Hall's revival of "**An Ideal Husband,**" the production, now four years old, which has already triumphed all over the West End and on Broadway (soon also to open in Australia) but still manages to retain from the original cast Martin Shaw as an Oscar-looking Lord Goring and Michael Denison and Dulcie Gray as the cynical elders.

Stephen Vaughan

Cheryl Campbell and Mark Bazeley in "The Seagull."

We are now of course into Wilde times. With the centenary of his death only a couple of years away we have the imminent opening of the Stephen Fry movie and a raft of new biographies.

All of these serve to highlight Hall's early realization that even by Oscar's standards of creative egocentricity this was the most autobiographical of his plays, with sexual, social and political scandals crashing into each other as a very similar era of centennial angst overtook a weary London aching for change but oddly unable to find the energy with which to see it through.

Some of the new casting is considerably less powerful than the originals, and it is clear that Hall himself has been too preoccupied with the survival of his troubled Old Vic company to pull the newcomers into first-class form.

All the same, thanks to the master class in octogenarian survival offered by the Denisons (he was in the film of "The Importance" half a century ago and has lost none of his Wilde panache, while historians might like to consider the amazing truth that Oscar had been dead less than 15 years when they were born), and Martin Shaw's increasingly charismatic chats to the audience while still in full character, this "Husband" is still about as close to ideal as it gets.

It might also be worth recalling at this stage that it originally emerged from neither of Britain's state-subsidized companies, but from a commercial team working in the heart of the West End.

If there were any more proof needed of the importance of keeping the Hall company alive, if not at the Vic then elsewhere, it is at the Haymarket. And maybe that is the theater they should now make their home?

TV Reaps a Harvard Harvest

By James Sterngold
New York Times Service

LOS ANGELES — Richard Appel was a Harvard man for the 1980s. He graduated with a degree in history and literature in 1985, went directly to Harvard Law School, like many of his classmates, and later joined the U.S. attorney's office in Manhattan, a conventional step in a high-flying career.

And today? Appel is a Harvard man for the 1990s: he writes for "The Simpsons."

Welcome to the other Hollywood. Without doubt, the movie industry continues to be the most visible and glamorous side of the entertainment field. But head over to the second most fashionable tables at the city's must-see lunch spots, or peek inside some of the biggest houses in Los Angeles' toniest neighborhoods, and you will find the frequently better paid and at times better educated writers and producers of television shows.

Prime-time television may be reviled in intellectual circles for its supposedly lowbrow sensibilities, but many people in the medium regard this as a second golden era, both in terms of money and the quality of writing. Few things demonstrate the growing attractiveness of the field more than the presence of dozens of Harvard graduates (as well as many other Ivy Leaguers), particularly in comedy. Writing staffs of shows like "The Simpsons," "King of the Hill," "Saturday Night Live" and "Late Show With David Letterman" have come to look like Harvard alumni clubs.

Many other shows, including "Party of Five," "Cracker," "News Radio," "Third Rock From the Sun," "Seinfeld," "Veronica's Closet," "The Larry Sanders Show," "Suddenly Susan," "Murphy Brown" and "The Naked Truth," have or have had Harvard writers and producers and even a few Harvard-educated actors.

It is a career path that, as many of these people admitted, at one time seemed déclassé by Harvard standards, but has gained considerable cachet with the soaring salaries and numbers of graduates heading out here.

"It's like there's a conveyor belt of people now coming out here," said Appel, who added that many, like himself, had worked at The Harvard Lampoon, long a launching pad for television comedy writers. ("The Lampoon has been the end of many a promising career in cancer research," said David Sacks, class of '84 and a co-executive producer of "Third Rock From the Sun.")

These people are, of course, endowed with varying degrees of talent. But, more important, they tend to be exceptionally ambitious, and the world of television now has credibility as a place that bright young Ivy Leaguers can go to show off their skills.

It is a business that pays huge sums even to very young people and is rising in prestige because of heavy media coverage. At a show like "The Simpsons," fairly typical for sitcoms, a story editor, who holds one of the most junior positions, earns about $110,000 in a 22-episode year. The job of supervising producer, a mid-level writing position often reached after a few seasons, pays roughly $550,000 a year, and the top writing job, that of executive producer, $700,000 to as much as $3 million a year.

BY contrast, the top salary for a first-year associate at a major New York law firm is roughly $86,000 a year, a figure that rises to about $170,000 in the fifth year, according to the National Association for Law Placement.

"I think we'd all be doing this even if it paid $16,000 a year," said Bill Oakley, class of '88 and a consulting producer of "The Simpsons." "But it does help that you can make as much after a few seasons as someone who's been at a law firm for 40 years."

BOOKS

PHOTOGRAPHIC MEMORIES

By Jack Delano. 216 pages. $29.95. Smithsonian.

Reviewed by
David Nicholson

ABOUT a quarter of the way through this unassuming autobiography, Jack Delano tells of photographing a Connecticut farming couple for the Farm Security Administration in 1940. Though "with a bit of flattery" he managed to persuade the wife to pose just as she was (she'd wanted to change her dress), the two refused to loosen up, "posing stiffly . . . staring morosely at the camera, not at all like the jolly people they really were."

So Delano told the man his pants were falling down. The picture, reproduced in "Photographic Memories," shows the results — Andrew Lyman stands holding up his pants; his wife's head is tossed back as she laughs heartily. It was "just what I wanted," Delano writes, "because that was what they were really like."

You could say something similar about this book by the multitalented Delano, a photographer, cartoonist, designer and composer who died recently in Puerto Rico, where he had lived for 50 years.

Far too often, he gives us an unadorned recitation of the events in his life, telling us what he did where and with whom. This has a certain documentary value, of course, but the best parts of the book are the unguarded moments when he quotes from letters or diaries, letting slip a compelling description or anecdote that gives us a glimpse of what the man behind the camera is really like.

In 1943, for example, traveling across the country shooting photographs of the railroad industry, Delano found himself one night musing about all the "things I cannot photograph." What follows is a list with some of the compression and beauty of poetry, reminiscent of the writing of Walt Whitman or Jack Kerouac:

The warm darkness of the caboose
The constant throbbing of the train
Two men sitting in darkness of cupola looking out windows
The passing of signal lights
Lonely looking farmhouses
Isolated interlocking towers
The crazy moon in the sky with one lone star above it. . .

Born in 1914 in Ukraine, Delano came to the United States with his parents when he was almost 9. He grew up in Philadelphia where, for a time, he thought of becoming a concert violinist. After high school, he attended the Pennsylvania Academy of the Fine Arts, where, in 1935, he received a fellowship that allowed him to spend several months traveling throughout Europe. There he bought a camera to take "tourist pictures," but after looking at the work of such painters as Goya, van Gogh and Brueghel, Delano decided that his goal of becoming a magazine illustrator was "cheap and tawdry." He "began to think that perhaps in photographs I could show the same concern and understanding of ordinary people that I found so compelling in the work of the artists I admired so much."

A year or two after graduating from the academy, Delano was hired by Roy Stryker, who directed the historical section of the Farm Security Administration, an agency created during the Roosevelt administration to help farmers beleaguered by the Great Depression.

Working for the agency, he and his wife, Irene, whom he had met in art school, "traveled through all the states from Florida to Maine, photographing cotton plantations, tobacco farms, fruit orchards, agricultural fairs, the lives of farm families, sharecroppers, fishermen, migratory farm laborers, teachers, religious ceremonies, funerals, baptisms, every aspect of working people's lives."

In 1941 Stryker sent him to the Virgin Islands to shoot photographs for a report being prepared for Congress, and suggested offhandedly that Delano "stop by for a few days in Puerto Rico, where we have an FSA program." Not knowing where the island was, Delano had to look it up in an atlas. Little did he know how significant the island would be to his future.

AFTER the war, Delano received a grant to make a book of photographs about Puerto Rico. He and Irene sublet their apartment in New York, thinking they would return in a year. They never did. Influenced by the charismatic Luis Munoz Marin, the Delanos became involved in the island's cultural and intellectual life, creating from scratch educational efforts like a graphics workshop and a documentary film department.

What comes through most of all in "Photographic Memories" is Delano's love and respect for people. The sections about the '40s have a palpable sense of inclusiveness and belonging that seems impossible in our diverse, fragmented culture.

Still, the truth is that, as a writer, Delano is a great photographer. Go find "Puerto Rico Mio," the book that includes a selection of the more than 2,000 photographs he took in the 1940s, together with his photographs from the 1980s. It contains some of his work that is most likely to endure.

David Nicholson, a Washington writer, wrote this for The Washington Post.

BEST SELLERS

New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	UNNATURAL EXPOSURE, by Patricia Cornwell	1	4
2	COLD MOUNTAIN, by Charles Frazier	2	7
3	SPECIAL DELIVERY, by Danielle Steel	3	7
4	PLUM ISLAND, by Nelson DeMille	4	12
5	THE NOTEBOOK, by Nicholas Sparks	5	44
6	IF THIS WORLD WERE MINE, by E. Lynn Harris	7	4
7	THE PARTNER, by John Grisham	6	24
8	LONDON, by Edward Rutherfurd	11	12
9	UP ISLAND, by Anne Rivers	9	11
10	THE GOD OF SMALL THINGS, by Arundhati Roy	12	2
11	FAT TUESDAY, by Sandra Brown	8	9
12	CHASING CEZANNE, Peter Mayle	13	9
13	POWER OF A WOMAN, by Barbara Taylor Bradford	14	6
14	DECEPTION ON HIS MIND, by Elizabeth George	10	6
15	FATAL TERRAIN, by Dale Brown	15	5

NONFICTION

1	ANGELA'S ASHES, by Frank McCourt	1	49
2	THE PERFECT STORM, by Sebastian Junger	2	11
3	INTO THIN AIR, by Jon Krakauer	2	16
4	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	6	162
5	THE BIBLE CODE, by Michael Drosnin	4	10
6	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	5	36
7	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	7	31
8	BRAIN DROPPINGS, by George Carlin	8	12
9	CONVERSATIONS WITH GOD: Book 2, by Neale Donald Walsch	11	14
10	THE GIFT OF FEAR, by Gavin de Becker	9	8
11	MARTHA STEWART - JUST DESSERTS, by Jerry Oppenheimer	10	6
12	JUST AS I AM, by Billy Graham	13	15
13	BILLIONS AND BILLIONS, by Carl Sagan	15	4
14	UNDERBOSS, by Peter Maas	14	17
15	THE MAN WHO LISTENS TO HORSES, by Monty Roberts		1

ADVICE, HOW-TO AND MISCELLANEOUS

1	MIRACLES CURES, by Jean Carper	1	4
2	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	2	72
3	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	3	204
4	THE ZONE, by Barry Sears with Bill Lawren	4	7

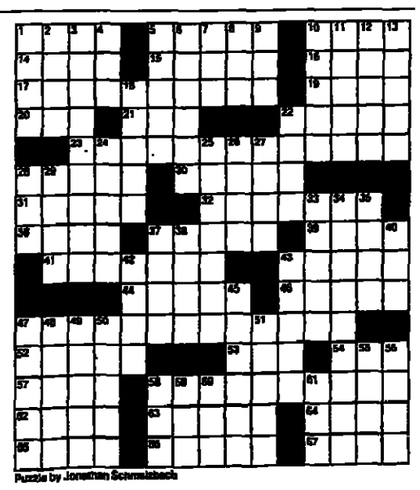
CROSSWORD

ACROSS

1 Statesman Eban
5 Part of a wolf pack
10 Smidgen
14 Recline lazily
15 Kin of "shucks"
16 Billiard cushion
17 1934 Mae West song
19 Girl lead-in
20 Excitement
21 Need a doctor's care
22 Elite military unit
23 Account of a trip conducted by Virgil
28 Pretend
30 Sail spar
31 Abstract artist Milton ——
32 Hindu goddess of fortune
36 Romantic exploit
37 Repent
39 Regatta blades
41 Ingenue
43 Cooper hero
44 Show how
46 Weatherman Al
47 Cop's question to a speeder
52 Leporine creatures
53 Actress —— Dawn Chong
54 Warriors' org.
57 Defenseman Bobby et al.
58 "Get lost!"
62 Siouan Indian
63 Verdi's "—— Chorus"
64 Leslie Caron role
65 Sprightly
66 60's catchword
67 Some are split

DOWN

1 Soprano Gluck
2 "Hopalong Cassidy" actor
3 Marriage prerequisite
4 The whole shootin' match
5 Ill-suited
6 Scarlett O'Hara and others
7 —— e sempre (Italian motto)
8 It goes through withdrawals
9 Mao or Lao follower
10 Fuming
11 Western
12 Hyperion, for one
13 Col. Bowie's mission, with "the"
18 "—— Boy" (song of 1913)
22 P.M. times
24 Trunk line
25 Large stain
26 Country not in Rushdie's travel plans
27 Advertiser with a swoosh
28 Tarry
29 Sunset followers
33 It exists among thieves
34 The Yukon's —— Mountains
35 "Dies ——"
37 Brews
38 Suckling spot
40 Communist land, once: Abbr.
42 U.S. 1 and others
43 Companion of Gabriel
45 Brave
47 Victory shout
48 Poker Flat's chronicler
49 Gaffe
50 Change, as a clock
51 Epigrammatic tale
55 Composer Bartók
56 How flawed goods are sold
58 Disparity
59 Singleton
60 Norris Dam's project: Abbr.
61 Mont Blanc, e.g.



Puzzle by Jonathan Schmalzbach

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Aug. 26

S	T	A	G		T	A	L	K		B	A	S	S	O
P	A	L	E		E	T	O	N		A	N	N	U	L
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B	R	A	S		O	R	E	M		T	O	N	I	C
Y	O	U	C	A	N	T	D	O	T	H	I	S	T	O
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U	M	I	A	K		N	A	M	E		A	I	R	E
M	A	N	S	E		Y	I	P	S		S	L	O	P

Venture Capital Wanted: US$20 million Napoleon French Cheese, French winery product. Made in China since 1993.

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NYSE

Tuesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

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http://www.iht.com

Continued on Page 16

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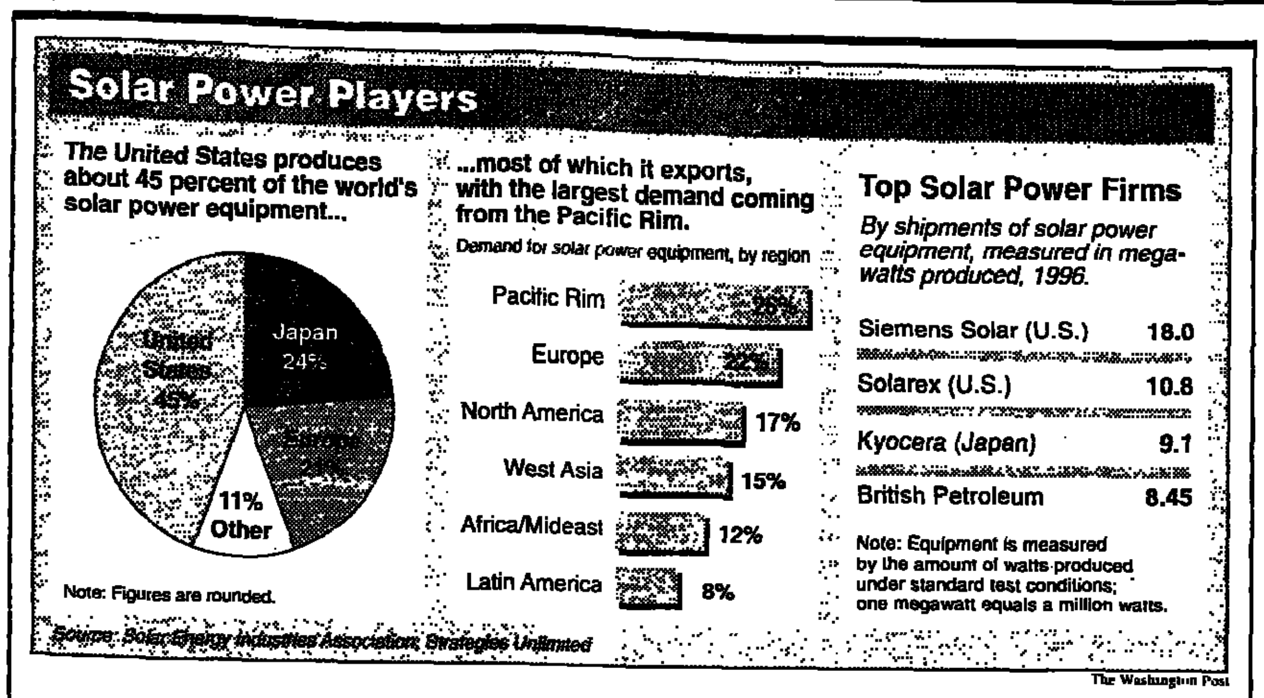

The Washington Post

Solar Energy's Time to Shine?

Worry on Global Warming Helps Fuel Sales and Investment

By Martha M. Hamilton
Washington Post Service

WASHINGTON — Could global warming help solar energy find its place in the sun?

Solar power, long regarded as not much more than a curiosity, is rapidly growing and attracting new investment because of concerns that carbon dioxide and other "greenhouse" gases produced by burning fossil fuels may bring devastating changes in temperature and precipitation worldwide.

"We think solar is something which could be a valuable business for us," said John Browne, group chief executive of British Petroleum PLC. BP has recently invested $20 million in what it says will be one of the largest and most technologically advanced solar cell manufacturing plants in the world, to be situated in Fairfield, California.

Solar power represents less than a tenth of a percent of the total market for energy. And even though industry officials expect it to expand by about 30 percent this year worldwide, its worth will still be only a little more than $1 billion a year. The United States is the largest producer of solar equipment, but most of the sales are outside the country.

Mr. Browne recently broke ranks with other oil and gas executives when he said in a speech at Stanford University in May that BP believed the possibility of climate change could not be discounted and should be acted upon. Part of BP's response, he said, was to develop alternative fuels.

A privately held Washington company, SunLight Power International, has attracted investments from two

Industry officials expect the market for solar power to expand by about 30 percent this year.

European insurance companies that are concerned about the storms and rising oceans that might result from global warming. Swiss Reinsurance Co. has invested $2.75 million and GAIA Kapital, which is associated with Rolf Gerling of the German Gerling Insurance Group, invested $2 million in the U.S. company, which plans to supply and service solar power to communities in developing countries beyond the reach of the power grid.

Bruno Letsch, head of Swiss Re's Investment Center Europe, said the company was attracted both by the economics and the environmental potential of the venture.

Jeff Serfass, president of SunLight Power, said:

"We are starting a business that focuses on providing electric service to rural regions of developing countries where there is no electric service and where the expectation for gaining electric service is out so many years that we provide an option for people to get what we all consider one of the basic commodities in life."

The company, which is already operating with a partner in the Dominican Republic, goes into such an area and offers electricity for a fee, then installs, operates and maintains the equipment at a monthly rate.

The traditional markets for solar power are in areas of the world that power lines do not reach, according to Harvey Forest, chairman of Solarex Corp.

But he said there was a growing market for solar to supplement power in countries served by traditional electric generating facilities, especially in Germany and Japan.

See POWER, Page 18

Bundesbank Alert Hurts Dollar

Signs of Inflation-Based Rate Increases Also Bite Into Stocks

Compiled by Our Staff From Dispatches

FRANKFURT — The prospect of an increase in German interest rates sent the dollar tumbling below 1.80 Deutsche marks on Tuesday as speculation heightened that the Bundesbank would take action to curb inflation.

The weakening dollar and the threat of higher interest rates in Europe's largest economy sparked a decline in stocks and bonds across the Continent.

"Everybody was lulled in by a general perception that inflation is dead," said Guenter Albrecht, chief economist at the German Chamber of Industry and Commerce. "Now the issue is on the agenda again."

The fear persisted even though the German central bank left its key money market rate unchanged on Tuesday, setting a 14-day tender for securities repurchase funds, or repos, at a fixed rate of 3.0 percent.

The repo rate has been held steady since August 1996, but the central bank has kept markets on edge in recent weeks with warnings that it may have to steer its monetary policy to contain any potential inflation threat.

The dollar initially rose on the central bank's inaction but was at 1.7975 DM in 4 P.M. trading in New York, down from 1.8193 DM on Monday.

Recent economic reports, meanwhile, indicate that German inflation is running at a stronger-than-expected clip.

On Tuesday, the Bundesbank said that a surge in the inflation rate for Western Germany was caused by rising oil prices in July and August.

The central bank said West German consumer prices rose at an annual rate of 2.3 percent in the six months to mid-August, up from a rate of 1.4 percent in July.

The increase in the rate, which is adjusted for seasonal influences, helped feed concern that the central bank may soon raise interest rates to preempt future price pressures.

A strong increase in oil prices played an important role in pushing the Bundesbank's annual consumer prices rate up, a central bank economist said.

The Bundesbank's inflation figure, which is adjusted for seasonal factors, is based on preliminary unadjusted data reported Monday by the Federal Statistics Office in Wiesbaden.

In that report, the statistical office said that consumer prices rose 0.2 percent in the month to mid-August and were up 2.0 percent from last year, a rate that was also higher than expected and that represented the fastest pace since April 1995.

Horst Siebert, a member of Bonn's major economic advisory panel, said Tuesday that Germany's inflation rate was on "an upward trend," which could lead the Bundesbank to increase interest rates in the next six months.

Mr. Siebert said the August annual rate was a "certain warning signal."

He also said it would become more difficult for the central bank to stick to a "strict policy of stability" once countries are selected for participation in a European common currency early next year. The euro is due to be launched on Jan. 1, 1999.

Germany's European partners want to prevent a rate increase by the Bundesbank because that could hurt their cur-

See INFLATION, Page 14

France Pushes for a 35-Hour Week

The Associated Press

PARIS — The Socialist-led government of France is preparing legislation that would cut the workweek to 35 hours by the year 2000 and impose a special tax on overtime pay, a newspaper reported Tuesday.

But the Socialists' talk of maintaining the same salary despite the shorter hours seems to have fallen by the wayside since the June election that brought them to power, Le Monde reported.

The shorter workweek, down from 38 or 39 hours in most sectors, is viewed as a solution to France's record unemployment, currently 12.6 percent of the work force.

The Labor Ministry plans to unveil the proposal during a meeting among representatives from unions, employers and government scheduled for late September and early October.

Employment Minister Martine Aubry will meet trade union and business leaders from next week before completing proposals on moving to a 35-hour workweek, a ministry spokeswoman said Tuesday.

To induce companies to shift toward a shorter workweek, the government wants to cut corporate employee taxes for companies that reduce hours before July 1, 2000, Le Monde reported.

In addition, overtime hours above the current regular limit could be slapped with a surtax as early as next year, further forcing companies to slice their hours and hire new workers.

Prime Minister Lionel Jospin may face an uphill battle, with unions and employers raising objections.

Louis Viannet, head of the pro-Communist General Labor Confederation, said Tuesday that the shorter workweek should take effect "comprehensively, quickly" and without a reduction in salary.

If employers stick to their opposition, he said, "there is going to be conflict."

Employers argued that a blanket 35-hour week could hurt business competitiveness, especially among the country's smaller companies.

■ Minitel Shifts Toward Internet

Mr. Jospin has said that France Telecom should promote a "gradual migration" onto the Internet of the on-line services it provides on its Minitel facility, AFX News reported.

Speaking at a university near Bordeaux, Mr. Jospin said a government plan, to be presented in detail in autumn, would aim at "bridging the French backwardness in information technology."

Minitel is a text-only system that has had little success outside of France.

The government will also promote improved access to government data via the Internet, Mr. Jospin said.

He urged "all current media enterprises to increase their activity on the Net," adding that state subsidies might be made available to encourage newspapers to publish on the Internet.

MEDIA MARKETS

Body Shop Ads Accentuate the Ordinary

By Stuart Elliott
New York Times Service

NEW YORK — Can a plump plastic doll help change the way that fashion, beauty and cosmetic marketers portray women in advertising?

The Body Shop, the iconoclastic retailer that sells creams, soaps and other products primarily to women, hopes so. The chain, which has been suffering sales declines in the United States in the face of intensifying competition, is undertaking a rare campaign in the mainstream American media, which carries the theme "Love your body."

The campaign is emblematic of a hotly debated issue: the ability of advertising to affect and influence behavior. The print advertisements and posters focus on self-esteem and self-image and center on the doll, nicknamed Ruby.

Ruby's arrival in America comes after she appeared in ads in several of the 47 countries in which Body Shop International operates stores, including Australia, where newspapers there coined her nickname, and Switzerland.

The reason for that sobriquet is obvious after seeing the toy, which appears in an ad in the September issue of the magazine Self and on the posters due to go up in Body Shop stores for two weeks beginning in mid-September. Though Ruby's red hair, blue eyes and pert nose are typical of so-called fashion dolls, her body is definitely not.

The doll's breasts, stomach and thighs are in a word, Rubenesque.

She reclines on a green velvet sofa under this headline: "There are 3 billion women who don't look like supermodels and only 8 who do."

"Most of the cosmetics industry bases its communications on stereotypical notions of unattainable ideals," said Marina Galanti, head of global communications at Body Shop International PLC in Littlehampton, England. "We're asking for a reality check."

"The images in the barrage of advertising around you have very little to do with people riding the bus with you, sitting in the office with you, having dinner with you," said Ms. Galanti, who oversees advertising and marketing. "It's good to step back once in a while and say, 'Hmmmm.' "

The Body Shop campaign, created in-house, indicates a growing trend: sales pitches that mock or tweak conventional methods of peddling products, particularly images perceived as persuading women to conform to certain ideals of appearance.

That trend has intensified in the 1990s with the formation of such activist groups as Stop Anorexic Marketing, an organization founded by women in the Boston area, some of whom have suffered from eating disorders.

For instance, ads for Dove beauty bar promote that Unilever product as "for the beauty that's already there." Campaigns for Chic jeans from Henry I. Siegel Co. have carried such themes as "Look like yourself" and "It's what you feel that counts." Print ads for the Freeman Cosmetic Corp. feature a woman, her back turned to the camera, asking, "How much do you need to see to know I'm beautiful?"

An ad for Special K cereal, run in Canada by Kellogg Co., depicted an ultrathin model and carried the headline, "If this is beauty, there's something wrong with the eye of the beholder."

"It's enlightened self-interest to identify yourself with women who will be drawn in by advertising that doesn't show an anorexic 15-year-old," said Susan Weidman Schneider, editor in chief of Lilith, a quarterly women's magazine from Lilith Publications Inc. in New York that has run articles on subjects like self-esteem and self-image.

"Say what you will about the Body Shop trying to reclaim market share," she added, referring to the chain's loss of sales to rival retailers like Bath & Body Works, H20 Works and the Gap. "The campaign is terribly clever."

Ms. Galanti said: "In terms of competition, it's good to celebrate our points of difference. And Ruby does that."

Most ads by Body Shop International have appeared in stores, devoted to cause-related marketing programs like voter registration.

The company has advertised only sporadically in American media, primarily in small, so-called alternative publications like Lilith and Mother

See RUBY, Page 18

CURRENCY & INTEREST RATES

Cross Rates

Aug. 26

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0305	3.2755	1.1264	0.3344	0.1154*	—	5.4555*	1.382	1.7131*	1.4575	1.3315*
Brussels	36.96	59.99	20.647	6.123	2.3155*	18.35	—	25.025	0.3144	26.52	24.435*
Frankfurt	1.796	2.9052	—	0.2968	0.1024*	0.8879	4.8437*	1.2109	1.520*	1.287	1.1871*
London (a)	1.6127	—	2.9036	9.7883	2,834.24	3.2705	59.9072	2.4016	191.1534	2.2469	245.655
Madrid	152.02	245.092	84.573	25.10	8.662*	75.094	4.8965	102.412	128.689*	109.977	—
Milan	1,755.65	2,836.80	976.80	289.66	—	866.55	47.386	1,180.75	14.86	1,268.38	11.535
New York (b)	—	1.6125a	1.7975	6.055	1,756.00	2.0243	37.13	1.485	118.135	1.394	151.915
Paris	6.0565	9.7965	3.3694	—	0.3451*	2.9918	0.1632	4.0891	5.727*	4.3457	3.9835*
Tokyo	118.60	190.64	65.25	19.37	8.47	57.95	3.161	79.28	—	85.29	0.772
Toronto	1.3938	2.2464	0.7758	0.2303	0.0794*	0.6887	0.3759*	0.9392	1.1795*	—	0.918*
Zurich	1.4846	2.3946	0.8278	0.2455	0.0847*	0.7343	4.0062*	—	1.2577*	1.0648	0.9782*
1 ECU	1.0964	0.6778	1.9707	6.6401	1,924.15	2.2195	40.6859	1.6274	129.513	1.528	166.69
1 SDR	1.3647	0.8434	2.4502	8.2625	2,414.57	2.7618	58.6713	2.0256	161.422	1.8857	207.09

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	285.94	Mex. peso	7.749	S. Afr. rand	4.694
Australian $	1.3405	Hong Kong $	7.7435	N. Zealand $	1.5468	S. Kor. won	904.55
Austrian sch.	12.64	Hung. forint	197.06	Norw. krone	7.5858	Swed. krona	7.9622
Brazil real	1.0925	Indian rupee	36.35	Phil. peso	29.90	Taiwan $	28.72
Chinese yuan	8.319	Indo. rupiah	2697.5	Polish zloty	3.49	Thai baht	33.70
Czech koruna	33.86	Irish £	0.681	Port. escudo	184.50	Turkish lira	165680.
Danish krone	6.93	Israeli shek.	3.5251	Russ ruble	5820.0	UAE dirham	3.6725
Egypt. pound	3.3963	Kuw dinar	0.31	Saudi riyal	3.7505	Venez. boliv.	496.37
Fin. markka	5.4398	Malay. ring.	2.7745	Sing. $	1.493		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6156	1.6137	1.6116	Japanese yen	117.57	117.04	116.51
Canadian dollar	1.3907	1.3885	1.3860	Swiss franc	1.4786	1.4736	1.4683
Deutsche mark	1.7932	1.7897	1.7862				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Aug. 26

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 1/16 - 3 3/16	1 9/16 - 1 11/16	7 1/16 - 7 3/16	3 1/4 - 3 3/8	7/16 - 9/16	4 5/16 - 4 7/16
3-month	5 5/8 - 5 11/16	3 3/16 - 3 5/16	1 5/8 - 1 3/4	7 3/16 - 7 5/16	3 3/8 - 3 1/2	7/16 - 9/16	4 1/4 - 4 3/8
6-month	5 3/4 - 5 13/16	3 5/16 - 3 7/16	1 1/2 - 1 5/8	7 5/16 - 7 7/16	3 7/16 - 3 9/16	1/2 - 5/8	4 5/16 - 4 7/16
1-year	5 15/16 - 6	3 1/2 - 3 5/8	1 1/4 - 1 3/8	7 9/16 - 7 11/16	3 1/2 - 3 5/8	9/16 - 11/16	4 7/16 - 4 9/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 1/2	5 9/16
90-day CDs dealers	5.61	5.60
180-day CP dealers	5.52	5.52
3 month Treasury bill	5.13	6.15
1-year Treasury bill	5.29	5.29
2-year Treasury bill	5.96	5.97
5-year Treasury note	6.22	6.23
7-year Treasury note	6.29	6.30
10-year Treasury note	6.37	6.38
30-year Treasury bond	6.65	6.67
Merrill Lynch 30-day RA	5.11	5.12
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.45
1-month interbank	0.49	0.49
3-month interbank	0.52	0.52
6-month interbank	0.54	0.54
10-year Govt bond	2.25	2.27
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.15
1-month interbank	3.20	3.20
3-month interbank	3.28	3.28
6-month interbank	3.45	3.45
10-year Bond	5.93	5.95
Britain		
Bank base rate	7.00	7.00
Call money	7 3/16	7 3/16
1-month interbank	7 1/8	7 1/8
3-month interbank	7 3/16	7 3/16
6-month interbank	7 1/4	7 1/4
10-year Gilt	7.09	7.11
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 1/8
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 3/8	3 3/8
10-year OAT	5.59	5.61

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	324.35	325.05	+0.30
London	325.40	325.50	+1.50
New York	328.00	329.00	+1.00

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Global Private Banking

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Headquarters of Republic National Bank of New York (Suisse) S.A. in Geneva.

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To our way of thinking, it is *security* as well as return that we must ensure each day. And in the process, to provide a unique quality of service, understanding and discretion.

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Republic National Bank of New York

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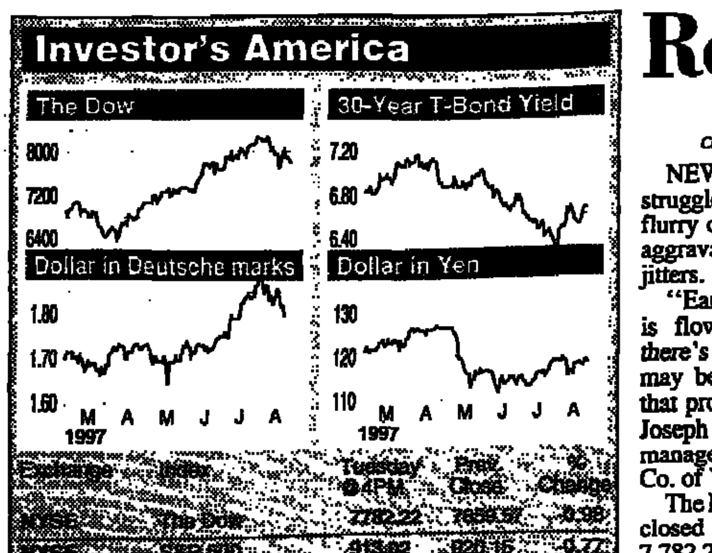
Investor's America



Exchange	Index	Tuesday @4PM	Prev. Close	% Change
NYSE	The Dow	7782.22	7859.57	-0.98
NYSE	S&P 500	913.02	920.16	-0.77
NYSE	S&P 100	884.29	892.83	-0.96
NYSE	Composite	475.36	478.03	-0.56
U.S.	Nasdaq Composite	1591.30	1601.57	-0.64
AMEX	Market Value	647.30	646.85	+0.07
Toronto	TSE Index	6698.26	6724.30	-0.40
São Paulo	Bovespa	11533.17	11321.82	+2.75
Mexico City	Bolsa	4897.20	4977.45	-1.61
Buenos Aires	Merval	847.35	847.72	-0.06
Santiago	IPSA General	5544.82	5567.18	-0.40
Caracas	Capital General	N.A.	9849.08	

Source: Bloomberg, Reuters — International Herald Tribune

Robust Data Give Markets Cause for Pause

Compiled by Our Staff From Dispatches

NEW YORK — Blue-chip stocks struggled Tuesday as the latest in a flurry of robust economic readings aggravated some nagging inflation jitters.

"Earnings are growing and cash is flowing into the market, but there's concern that the economy may be growing too strongly and that profit growth may slow," said Joseph Stocke, senior investment manager at Meridian Investment Co. of Valley Forge, Pennsylvania.

The Dow Jones industrial average closed down 77.35 points at 7,782.22. The Standard & Poor's 500 Index dropped 7.14 to 913.02, and the Nasdaq composite index fell 10.28 to 1,591.29.

Small-company shares were continuing to attract some of the money from the blue-chip sector, giving the market a mixed tone.

Stocks started the day mostly lower after interest rates rose to their highest level since early July in the bond market. But bond prices recovered after the Treasury met robust demand at its auction $15.5 billion in 2-year notes, sending long-term borrowing costs back down, easing some pressure on stocks.

The benchmark 30-year Treasury bond rose 6/32 to 96 14/32, taking the yield down to 6.65 percent from 6.67 percent.

Earlier, bond prices had slipped after the latest in a series of economic reports suggested an increase in economic activity that could aggravate inflationary pressures.

Reports from two private research groups showed gains in retail sales and consumer confidence. The government, meanwhile, reported that manufacturing activity continued at a healthy pace, and a realty group reported that sales of existing homes rose 2.2 percent in July.

The reports came as economists scoured new data for clues on whether the economy had been accelerating.

After nudging a key interest rate higher in March to protect against inflation, the Federal Reserve Board has withstood the temptation to slow the economy further, easing worries about slower company profit growth. With the recent pickup in business activity, however, investors are fearful the central bank will intervene again in the coming months.

Separately, the Commerce Department reported that orders for

U.S. STOCKS

big-ticket durable goods fell 0.6 percent in July, But excluding aircraft and defense purchases, which can skew month-to-month numbers, the figures showed the economy continuing to expand.

Novell, the most active issue on the New York Stock Exchange, rose 1 to 10 on speculation that the maker of network software might be bought by International Business Machines.

Sybase also climbed 1 11/16 to 19 3/16 amid speculation that IBM might be interested in acquiring the database software company.

Alcoa, a major aluminum producer, declined after it was downgraded to "outperform" from "strong buy" by analyst R. Wayne Atwell at Morgan Stanley, Dean Witter, Discover & Co.

Aames Financial, a mortgage loan company, declined after reporting unexpectedly weak fourth-quarter earnings and warning analysts that profit in coming quarters could be hurt as more consumers prepay their mortgages.

C-Cube Microsystems' stock rose after the maker of digital video compression technology presented a new line of video and graphic decoding chips.

Clear Channel Communications shares rose after the operator of radio and television stations said it would not buy Paxson Communications' two professional sports teams and would buy fewer billboards as part of its final purchase pact between the companies, valued at $600 million. *(Bloomberg, AP)*

Republic Ends One War Over Dealers

By Robyn Meredith
New York Times Service

NEW YORK — It is one down and one to go for H. Wayne Huizenga's Republic Industries Inc., the largest car dealership owner in the United States.

Republic, which has been feuding in the courts with the U.S. arm of the Toyota Motor Co. and with American Honda Motor Co., reached a preliminary agreement late Monday with Toyota that would allow Republic to buy more Toyota dealerships and would end litigation between the two sides. The deal with Toyota came after more than six hours of meetings in Dallas.

Neither company would disclose details of the framework agreement.

"We've agreed to agree," said Nancy Hubbell, a Toyota spokeswoman. She added that both sides had given in to the other's demands.

For the last nine months, Republic has been snapping up car dealerships with the blessing of many automakers eager to thin the ranks of their dealers and modernize dealerships. Toyota and Honda, however, have resisted. Each adopted policies intended to slow sales to large dealer groups like Republic, and each sued Republic when it refused to stop making offers to buy dealers.

Republic countersued. After watching its share price fall by nearly half this year, Mr. Huizenga accused the Japanese automakers of trying to drive down the price of Republic stock by creating uncertainty. Republic has often used its stock as currency for buying dealerships.

The deal announced Monday was reached after the stock market closed. Shares of Republic closed up $1.8125 at $25.25 on Tuesday on the New York Stock Exchange. In June, the stock hit a low of $20.3125.

Very briefly:

Court Rejects Encryption Ban Anew

SAN FRANCISCO (NYT) — A U.S. District Court has again ruled that government attempts to restrict the export of data-scrambling software are an unconstitutional restriction on freedom of speech.

The ruling, by Judge Marilyn Hall Patel, reaffirms a ruling she made last year that could undermine a Clinton administration plan to force U.S. companies to develop data-encryption systems that would permit government agencies to eavesdrop on data and voice communications.

The new ruling comes in a suit filed by a University of Illinois at Chicago mathematician and the Electronic Freedom Foundation, a group promoting civil liberties. The suit contended that the government controls were unconstitutional.

Judge Patel's original ruling applied to State Department regulations that classified cryptographic software as a weapon. But in December, the administration shifted control over data-scrambling software from the State Department to the Commerce Department. The new suit asked the court to rule on the constitutionality of new Commerce restrictions.

- **US Airways Group Inc.** has asked the U.S. government for permission to fly two new daily round trips from Philadelphia to London's Gatwick Airport as of spring.
- **American Stores Co.**'s second-quarter net profit rose 8.2 percent, to $90 million, as improving drugstore sales offset slight declines at its food stores.
- **Learning Co.**, a troubled software company, said it would retire $150 million in debt by issuing preferred stock to Thomas H. Lee Co., Bain Capital Inc. and Centre Partners Management LLC.
- **Bombardier Inc.** said Scandinavian Airlines System AS would buy 15 Dash 8-400 aircraft for 442 million Canadian dollars ($316.1 million), its largest order for the new 72-seat aircraft. *Bloomberg*

Carlyle to Buy United Defense for $850 Million

Compiled by Our Staff From Dispatches

CAMP HILL, Pennsylvania — The Carlyle Group, a closely held Washington, D.C. partnership, has agreed to buy United Defense LP, the maker of the Bradley fighting vehicle, for $850 million from the co-owners, Harsco Corp. and FMC Corp., the companies said Tuesday.

United Defense, which also makes other military vehicles and weapons for the U.S. Army and Navy, had been for sale for several months. FMC and Harsco rejected a higher bid by General Dynamics Corp. that faced antitrust opposition.

Two weeks ago, people familiar with the negotiations said General Dynamics had offered $1 billion for United Defense, its only U.S. rival in the armored military vehicles business. News reports of the talks prompted two federal lawmakers to request an antitrust review before an agreement was even reached.

Carlyle Group is a leading investor in defense and aerospace businesses that controls more than $1.8 billion in equity capital.

"If Carlyle is the buyer, the deal sails right through," said William Kovacic, an antitrust law professor at George Mason University.

FMC, a producer of chemicals and machinery for industry, government and agriculture based in Chicago, is managing partner and 60 percent owner of United Defense.

Harsco, a diversified industrial products and services company, held the remaining 40 percent.

United Defense, with 5,700 employees, is the prime contractor and systems integrator for the Crusader, the Army's $20 billion next-generation artillery development system. It was formed in 1994 by combining FMC's Defense Systems Group with Harsco Corporation's BMY Combat Systems Division.

Other major programs include the Bradley family of fighting vehicles, M1 Breacher, and M113 armored personnel carriers.

Carlyle typically invests in companies, holds them several years, then sells them. Allan Holt, a Carlyle managing director, said he expected the company to take the same approach with United Defense.

General Dynamics' retreat from bidding on United Defense suggests that it will be difficult for the company to make acquisitions because it faces only one competitor in many of its key businesses, which could raise antitrust issues, analysts said. *(Reuters, Bloomberg)*

INFLATION: *Prospects of a German Rate Increase Send the Dollar Tumbling*

Continued from Page 13

rencies, Mr. Siebert said. But on Tuesday, the European stock markets bore the brunt of possibly higher interest rates.

"There is anticipation that the Bundesbank will pull the trigger and that could be the start of monetary tightening around Europe," said Francois Langlade-Demoyen, a European equity strategist at Credit Suisse First Boston in London.

German shares were worst hit, dropping almost 3 percent on Tuesday, with the DAX index falling 112.46 points to 3,959.33, pushing the index well below the key chart level of 4,000.

London, which was closed Monday for a bank holiday, edged down 0.3 percent, or 14.80 points, to close at 4,886.30.

The French CAC-40 index declined 1 percent, or 29.31 points, to 2,869.26.

U.S. stocks also fell. (Page 14)

Also weighing on the dollar was a rise in Germany's trade surplus, which hit an eight-year high as a weak mark propelled a boom in demand for German goods.

The weak mark also pushed up the price of imports, though, fueling concern German rates will rise.

The dollar's 15 percent rise against the mark helped Germany's

FOREIGN EXCHANGE

trade surplus widen to 13.4 billion DM ($7.37 billion) from 9.8 billion marks in May, the Federal Statistics Office said. Exports surged 23.3 percent in June from a year ago.

The surplus was the biggest since June 1989, before reunification.

Analysts had expected a June surplus of 10 billion DM. Against other currencies, the dollar fell against the yen, dragged down by its weakness against the mark. The U.S. currency fell to 118.350 yen from 118.745 yen.

It also fell to 1.4850 Swiss francs from 1.4982 francs and to 6.0550 French francs from 6.1299 francs.

The pound edged up to $1.6125 from $1.6065.

The Canadian dollar plummeted to a 17-month low against its U.S. counterpart as traders braced for this week's current-account report. *(Bloomberg, Reuters, AP)*

AMEX

Tuesday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7799.64	7860.73	7770.41	7782.22	-77.35
Trans	2936.85	2940.88	2913.06	2913.08	-27.88
Util	231.49	233.56	231.03	232.37	+0.58
Comp	2444.48	2457.22	2432.45	2436.88	-19.64

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1095.98	1079.68	1082.87	1073.79
Transp.	674.12	666.91	670.60	662.46
Utilities	198.82	197.45	198.13	198.51
Finance	106.65	105.02	105.44	104.80
SP 500	930.93	917.29	920.16	913.02
SP 100	904.06	889.54	892.83	884.29

NYSE

	High	Low	Last	Chg.
Composite	479.21	474.60	475.36	-2.67
Industrials	606.90	600.71	601.57	-3.66
Transp.	442.14	437.08	438.05	-4.89
Utility	285.78	283.81	284.70	-0.77
Finance	443.90	439.87	440.62	-2.17

Nasdaq

	High	Low	Last	Chg.
Composite	1601.74	1591.26	1591.29	-10.28
Industrials	1279.50	1274.48	1275.54	-2.88
Banks	1708.86	1696.62	1689.60	-7.77
Insurance	1706.04	1696.99	1708.96	-4.08
Finance	2027.33	2019.21	2019.31	-4.77
Transp.	1010.81	1006.32	1006.32	-2.89

AMEX

High	Low	Last	Chg.
647.90	646.33	647.29	+0.44

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	103.86	103.78
10 Public Util	101.25	101.37
10 Industrials	106.46	106.19

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	86382	67 7/16	65 3/8	65 1/2	-1 3/8
Republnd	58304	25 7/16	24 1/2	25 1/4	+1 7/16
K mart	58540	14 1/2	14 1/4	14 3/8	+1/8
PhilMor s	50210	45 1/4	44 3/4	45 1/2	+3/4
GenElec s	48803	65 9/16	63 7/16	63 7/16	-7/8
FordM	47955	45 1/4	44	44 15/16	+5/8
Unisys	47076	11 1/4	10 15/16	11 1/4	+1/2
Pfizer s	37739	55 1/4	53 15/16	53 15/16	-1 5/16
AmStor s	33783	24 1/4	23 1/2	23 13/16	-5/16
Micrn T	32537	47 1/16	45 1/4	45 1/4	-7/8
CocaCl	32983	60	59	59	-7/8
WarnL	31662	129 5/16	126 1/2	126 1/2	-5 1/16
GnMotr	30641	65 5/16	65	65 1/16	-1 1/8
PepsiCo	30607	36 9/16	35 15/16	36 1/16	+1/16
Boeing s	30345	55 1/4	54 1/16	54 1/16	-1 1/16

Nasdaq

	Vol.	High	Low	Last	Chg.
Novell	315064	10 1/4	9 1/2	10	+1
MCI	147967	29 3/8	28 1/4	28 9/16	-1 1/8
Intel s	112588	94 1/4	92 1/4	92 1/4	-1 7/8
3Com	86753	52 1/4	49 1/4	49 1/2	-3
Oracle s	82511	39 1/4	38 3/8	38 9/16	-1/4
Sybase	62616	19 3/8	17 1/4	19 3/16	+1 11/16
TeleComA	62359	18 1/4	17 5/8	17 7/8	-1/8
DellCpt s	57996	84 1/4	82 1/4	82 3/4	-1 1/4
Shiva	59066	16 7/8	13	15 1/4	+2 5/8
Cirrus	54516	17 1/4	16 3/4	17 1/2	+1/2
PairgTch	51146	28 1/4	26 3/4	27 1/4	-3/4
Cisco	47431	78 3/4	77 1/4	77 1/2	-3/4
ReadRt	42082	29 1/2	27 1/2	29 1/4	+1 1/2
Microsft s	41298	136 7/8	134 1/4	134 7/16	-1 7/8
WorldCm	40567	32 1/4	31 3/4	31 7/8	-3/8

AMEX

	Vol.	High	Low	Last	Chg.
JTS Corp	42861	3/4	1/4	3/4	+1/2
SPDR	39784	92 1/16	91 1/4	91 1/2	-7/8
TejnR	18463	45	34 1/4	39 1/4	+6 7/8
Hearx	18066	2 5/8	2 1/8	2 1/8	—
DI Ind	12898	5 3/8	5 1/4	5 3/8	—
Hasbro s	9141	27 1/2	26 7/16	26 7/16	-7/8
ViacB	6837	30 7/8	29 3/4	30 1/4	-1/2
Nabors	6717	35 1/2	32 5/8	35 1/4	+2 3/4
Andrea	6158	33 1/4	28 1/4	33 1/2	+5 1/4
TelDta	5331	39	37 1/4	38 7/8	+1/4

Trading Activity

NYSE

	Close	Prev.
Advanced	1313	1607
Declined	1307	1239
Unchanged	584	552
Total issues	3404	3398
New Highs	115	131
New Lows	13	21

Nasdaq

	Noon	Prev.
Advanced	1654	2269
Declined	1617	1830
Unchanged	2101	1652
Total issues	5372	5751
New Highs	114	197
New Lows	63	53

AMEX

	Close	Prev.
Advanced	276	313
Declined	297	251
Unchanged	171	178
Total issues	739	742
New Highs	32	30
New Lows	9	11

Market Sales

	Today 4:00	Prev. cons.
NYSE	452.50	485.20
Amex	27.65	26.64
Nasdaq	583.60	567.74

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Gold Fields SA Ltd	b	.30	9-5	10-8
STOCK SPLIT				
Bando McGlocklinCap 1 share of Investors Bancorp for every 4.19216 shares held.				
Dollar General 5 for 4 split.				
INITIAL				
Dollar Gen n	-	.04	9-8	9-22
INCREASED				
Albany Fncl	Q	.18	9-12	10-1
Ameriana Bncp	Q	.16	9-12	10-3
Mayflower Co-op	Q	.17	9-5	9-12
Raven Indus	Q	.15	9-25	10-15
REGULAR				
Amer BusinessFin	Q	.015	8-31	9-15
Amer Gvt Income	M	.03	9-4	9-24
Amer Gvt IncPtfl	M	.035	9-4	9-24
Amer Insd Mtg 85	M	.10	8-31	11-3
Amer Insd Mtg 86	M	.07	8-31	11-3
Amer Insd Mtg 88	M	.10	8-31	11-3
Casey's Gen Strs	Q	.03	11-3	11-17
Casa Commrcl Cp	Q	.13	9-5	9-15
Cornerstone Bank	Q	.06	9-30	10-15
CoVest Bncshrs	Q	.10	9-15	9-30
Duff Phelps Credit	Q	.03	9-5	9-11
Fst CommrclCp	Q	.24	9-15	10-1
Fst Midwest Fncl	Q	.09	9-15	10-1
Fort Dearborninco	Q	.27	9-5	9-19
Mahaska Invest	Q	.20	9-8	9-15
MainStreet BkGrp	Q	.14	9-5	9-26
Mallinckrodt	Q	.165	9-15	9-30
McRae Indus	Q	.09	9-12	9-26
Natl CptrSyst	Q	.09	9-5	9-16
North CentriBcshrs	Q	.0625	9-15	10-6
Pocahontas Fedl	Q	.225	9-15	10-3
Utd Illuminating	Q	.72	9-11	10-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y - ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Aug. 26, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	269½	263½	263¾	-7½	33,509
Dec 97	273¼	267½	267¾	-8½	183,141
Mar 98	282½	275½	276	-8¾	44,367
May 98	287	280¾	281	-9	11,941
Jul 98	290	284	284¼	-8½	18,293
Sep 98	272¼	266½	266½	-6¾	1,586
Dec 98	269¾	264	264½	-5¾	10,468
Est. sales 70,000 Mon's sales 58,447					
Mon's open int 303,413, up 2,583					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Sep 97	246.50	241.50	244.00	-0.90	21,052
Oct 97	214.80	212.70	214.00	-0.40	17,539
Dec 97	203.70	202.00	203.50	-0.30	43,400
Jan 98	200.00	198.20	199.30	-0.50	8,159
Mar 98	194.80	193.50	194.50	-0.20	9,622
May 98	193.80	192.50	192.50	-0.80	4,655
Est. sales 23,000 Mon's sales 19,894					
Mon's open int 109,067, off 983,055					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Sep 97	22.76	22.40	22.45	-0.32	14,225
Oct 97	22.94	22.57	22.65	-0.28	14,700
Dec 97	23.32	22.88	22.91	-0.41	39,102
Jan 98	23.47	23.10	23.10	-0.42	9,198
Mar 98	23.70	23.32	23.40	-0.40	6,573
May 98	23.80	23.49	23.49	-0.46	2,375
Est. sales 19,000 Mon's sales 15,279					
Mon's open int 89,729, off 100,256					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	665	657½	662¼	-½	12,012
Nov 97	619	612½	615¼	-4¼	82,866
Jan 98	620½	614½	616½	-4½	18,032
Mar 98	628	623	624¼	-5¼	7,475
May 98	634	630	631¼	-4	5,928
Est. sales 30,000 Mon's sales 27,814					
Mon's open int 134,959, off 1,240					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	366¼	363	364	-1¼	16,000
Dec 97	382	378¼	379	-1¼	60,374
Mar 98	393	389	390½	-1½	17,250
May 98	394	391	392	-3	2,209
Est. sales 18,000 Mon's sales 18,000					
Mon's open int 1, off 105,475					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Oct 97	69.15	68.60	68.97	+0.25	48,125
Dec 97	70.60	70.12	70.47	+0.15	23,536
Feb 98	72.85	72.40	72.80	+0.22	11,780
Apr 98	74.72	74.35	74.62	+0.15	5,642
Jun 98	71.50	71.10	71.40	+0.12	3,906
Aug 98	71.20	70.90	70.90	+0.05	691
Est. sales 11,293 Mon's sales 8,169					
Mon's open int 93,687, up 23					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 97	81.10	80.80	81.00	+0.17	3,277
Sep 97	81.15	80.35	80.92	+0.47	3,759
Oct 97	80.80	80.00	80.75	+0.62	6,246
Nov 97	81.70	80.95	81.60	+0.60	4,147
Jan 98	82.35	81.60	82.27	+0.57	2,263
Mar 98	82.00	81.35	81.97	+0.57	1,197
Est. sales 3,058 Mon's sales 2,895					
Mon's open int 21,542, off 176					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Oct 97	70.40	68.97	69.35	-1.57	18,116
Dec 97	67.40	66.17	66.60	-1.17	6,746
Feb 98	66.55	65.35	65.72	-1.17	3,058
Apr 98	62.65	62.00	62.20	-0.62	1,612
Jun 98	67.45	67.00	67.12	-0.45	868
Est. sales 9,984 Mon's sales 3,550					
Mon's open int 31,388, up 215					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Aug 97	89.20	85.82	85.82	-3.00	257
Feb 98	71.45	68.05	68.05	-3.00	3,618
Mar 98	71.35	68.10	68.10	-3.00	311
Est. sales 2,208 Mon's sales 1,007					
Mon's open int 4,253, off 213					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1638	1575	1631	+38	1,042
Dec 97	1655	1596	1653	+38	37,990
Mar 98	1681	1630	1680	+35	26,838
May 98	1702	1651	1700	+35	12,388
Jul 98	1717	1668	1717	+35	2,532
Sep 98	1736	1685	1736	+35	4,175
Est. sales N.A. Mon's sales 4,308					
Mon's open int 99,863, off 300					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Sep 97	178.75	171.50	178.15	+5.15	1,000
Dec 97	168.00	159.00	166.40	+5.70	10,056
Mar 98	153.00	148.00	152.50	+4.35	4,041
May 98	146.75	142.00	146.75	+3.85	1,790
Jul 98	141.50	138.50	141.50	+3.60	1,001
Est. sales N.A. Mon's sales 1,836					
Mon's open int 17,808, up 103					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 97	11.80	11.63	11.79	+0.13	95,362
Mar 98	12.13	11.93	12.11	+0.18	69,255
May 98	12.07	11.90	12.06	+0.15	16,578
Jul 98	11.94	11.79	11.94	+0.15	10,163
Est. sales N.A. Mon's sales 10,077					
Mon's open int 202,141, up 882					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	67.75	67.30	67.40	-0.20	7,920
Nov 97	69.90	69.00	69.35	-0.35	13,951
Jan 98	72.80	72.00	72.30	-0.30	6,438
Mar 98	75.90	75.00	75.25	-0.20	4,271
Est. sales N.A. Mon's sales 5,725					
Mon's open int 34,483, off 475					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Aug 97	326.00	324.80	325.70	-1.10	86
Sep 97			326.00	+0.90	2
Oct 97	328.70	325.60	327.00	+0.90	16,120
Dec 97	330.70	327.20	329.00	+1.00	113,459
Feb 98	332.10	329.70	330.70	-1.00	14,922
Apr 98	333.00	332.60	332.60	-1.00	5,393
Jun 98	334.70	333.80	334.70	+0.90	7,893
Aug 98			336.90	+0.90	3,121
Oct 98			339.20	+0.90	111
Est. sales N.A. Mon's sales 9,814					
Mon's open int 201,232, off 1,422					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Aug 97	100.80	98.70	99.55	+0.10	792
Sep 97	101.20	99.40	99.80	+0.20	14,971
Oct 97	100.70	99.90	99.90	+0.20	2,132
Nov 97	99.15	99.15	99.15	+0.05	1,520
Dec 97	100.25	98.70	98.85	-0.05	16,853
Jan 98			98.65	-0.35	744
Feb 98	98.50	98.45	98.45	+0.05	701
Mar 98	98.50	97.75	97.75	-0.30	2,783
Apr 98	98.00	96.95	97.35	-0.45	502
Est. sales N.A. Mon's sales 9,699					
Mon's open int 47,071, up 595					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Aug 97			465.40	+4.60	24
Sep 97	466.50	460.00	465.70	+4.50	30,122
Oct 97			469.30	+4.40	78
Dec 97	473.50	465.50	472.40	+4.30	32,752
Jan 98	474.00	472.00	474.00	+4.30	20
Mar 98	479.20	476.00	479.20	+4.30	11,226
May 98	484.50	483.50	483.50	+4.30	3,078
Jul 98			487.80	+4.30	2,126
Est. sales N.A. Mon's sales 17,656					
Mon's open int 84,834, off 3,876					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	410.00	403.00	404.60	-3.50	10,307
Jan 98	402.00	397.50	398.60	-3.50	2,654
Apr 98	400.00	393.10	393.10	-3.50	431
Jul 98			389.10	-3.50	2
Est. sales N.A. Mon's sales 735					
Mon's open int 13,394, up 107					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1780.00	1785.00	1671.00	1673.00
Forward	1659.00	1660.00	1626½	1627½
Copper Cathodes (High Grade)				
Spot	2213.00	2216.00	2172.00	2173.00
Forward	2194.00	2195.00	2161.00	2162.00
Lead				
Spot	628½	629½	613.00	614.00
Forward	638.00	639.00	624.00	625.00
Nickel				
Spot	6545.00	6555.00	6555.00	6565.00
Forward	6640.00	6650.00	6653.00	6654.00
Tin				
Spot	5420.00	5430.00	5335.00	5345.00
Forward	5465.00	5470.00	5385.00	5395.00
Zinc (Special High Grade)				
Spot	1685.00	1688.00	1664.00	1668.00
Forward	1488.00	1490.00	1484.00	1486.00

	High	Low	Close	Chge	Opint
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Sep 97	94.91	94.89	94.90	unch.	6,976
Dec 97	94.80	94.79	94.79	unch.	2,287
Mar 98	94.71	94.71	94.70	-0.01	1,038
Est. sales 904 Mon's sales 828					
Mon's open int 10,301, off 81					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	106-42	106-28	106-40	+ 01	175,076
Dec 97	106-27	106-17	106-21	+ 01	47,285
Est. sales 75,000 Mon's sales 50,994					
Mon's open int 216,361, off 4,332					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	108-29	108-14	108-25	+ 02	275,832
Dec 97	108-17	108-03	108-14	+ 03	112,283
Mar 98	108-04	108-03	108-03	+ 04	1,997
Est. sales 130,000 Mon's sales 96,013					
Mon's open int 390,252, off 17,376					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	112-24	111-26	112-19	+ 05	446,939
Dec 97	112-12	111-14	112-07	+ 05	99,459
Mar 98	111-31	111-13	111-28	+ 05	32,723
Jun 98			111-15	+ 05	2,588
Est. sales 450,000 Mon's sales 271,954					
Mon's open int 583,394, off 32,247					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	114-15	114-01	114-14	+0-09	141,948
Dec 97	114-04	113-27	114-04	-0-10	31,457
Est. sales 95,470 Prev. sales 134,363					
Prev. open int. 173,405 up 421					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	102.20	101.75	102.15	+0.13	251,510
Dec 97	101.30	100.90	101.26	+0.11	31,773
Est. sales 191,284 Prev. sales 202,900					
Prev. open int. 283,733 off 161					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	129.74	129.28	129.58	+ 0.12	158,021
Dec 97	98.70	98.30	98.56	+ 0.12	15,070
Mar 98	97.80	97.80	97.96	+ 0.12	0
Est. sales: 109,695.					
Open int.: 173,091 off 236.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 97	135.99	135.16	135.64	—0.25	92,906
Dec 97	108.10	107.41	107.84	—0.22	22,558
Est. sales: 52,873. Prev. sales: 53,668					
Prev. open int.: 115,464 off 2,582					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Sep 97	94.35	94.34	94.35	unch.	15,967
Oct 97	94.32	94.31	94.32	unch.	8,043
Nov 97	94.27	94.26	94.27	unch.	7,574
Est. sales 1,925 Mon's sales 927					
Mon's open int 39,163, up 17					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Sep 97	94.27	94.25	94.25	unch.	478,405
Oct 97	94.17	94.16	94.17	unch.	4,688
Dec 97	94.08	94.04	94.07	unch.	489,608
Mar 98	93.98	93.93	93.97	unch.	354,244
Jun 98	93.87	93.80	93.85	unch.	279,817
Sep 98	93.77	93.70	93.75	unch.	218,676
Dec 98	93.64	93.59	93.63	unch.	189,632
Mar 99	93.62	93.57	93.61	unch.	130,512
Jun 99	93.57	93.52	93.56	unch.	103,196
Sep 99	93.53	93.49	93.52	unch.	84,640
Dec 99	93.46	93.41	93.44	unch.	74,192
Mar 00	93.45	93.40	93.44	+0.01	65,265
Est. sales 444,386 Mon's sales 185,943					
Mon's open int 2,791,470, off 163					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.6224	1.6036	1.6088	+0.0032	47,587
Dec 97	1.6118	1.6000	1.6030	+0.0032	1,326
Mar 98			1.5964	+0.0032	208
Est. sales 8,904 Mon's sales 4,016					
Mon's open int 49,122, off 1,401					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 97	.7202	.7176	.7179	-0.0017	63,321
Dec 97	.7236	.7212	.7216	-0.0017	5,811
Mar 98	.7255	.7250	.7245	-0.0017	726
Est. sales 3,656 Mon's sales 4,993					
Mon's open int 70,123, up 754					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	.5588	.5486	.5574	+0.0074	99,359
Dec 97	.5619	.5535	.5606	+0.0074	5,550
Mar 98	.5642	.5590	.5637	+0.0074	1,531
Est. sales 34,126 Mon's sales 20,888					
Mon's open int 106,604, up 113					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	.8525	.8443	.8488	+0.0048	82,211
Dec 97	.8620	.8568	.8599	+0.0048	2,741
Mar 98			.8715	+0.0049	578
Est. sales 18,235 Mon's sales 23,036					
Mon's open int 85,539, up 1,463					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	.6785	.6668	.6753	+0.0064	51,348
Dec 97	.6838	.6760	.6823	+0.0065	3,243
Mar 98			.6892	+0.0066	1,056
Est. sales 16,689 Mon's sales 11,200					
Mon's open int 55,757, up 551					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	.12780	.12742	.12762	-.00071	21,929
Dec 97	.12280	.12250	.12265	-.00085	14,702
Mar 98	.11822	.11795	.11800	-.00142	5,821
Est. sales 4,492 Mon's sales 3,873					
Mon's open int 44,364, up 95					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.71	92.69	92.70	Unch.	110,462
Dec 97	92.55	92.51	92.54	Unch.	127,208
Mar 98	92.52	92.48	92.51	Unch.	104,298
Jun 98	92.55	92.50	92.53	Unch.	76,478
Sep 98	92.59	92.55	92.59	+0.01	55,745
Dec 98	92.66	92.62	92.66	+0.02	49,070
Mar 99	92.70	92.66	92.70	+0.01	39,981
Jun 99	92.72	92.69	92.72	+0.01	33,279
Est. sales: 36,002. Prev. sales: 76,787					
Prev. open int.. 656,712 up 11,784					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 97	96.64	96.60	96.62	+0.01	240,217
Oct 97	N.T.	N.T.	96.55	+0.01	1,903
Nov 97	N.T.	N.T.	96.52	+0.01	150
Dec 97	96.43	96.36	96.40	+0.01	292,779
Mar 98	96.28	96.18	96.24	+0.01	273,226
Jun 98	96.08	95.93	96.01	—0.01	213,750
Sep 98	95.85	95.73	95.79	—0.02	144,071
Dec 98	95.60	95.50	95.55	—0.03	153,531
Mar 99	95.42	95.32	95.36	—0.03	126,280
Est. sales: 256,797 Prev. sales: 208,885					
Prev. open int.: 1,660,362 off 16,128					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.53	96.48	96.51	+ 0.02	60,984
Dec 97	96.34	96.26	96.31	+ 0.04	44,999
Mar 98	96.23	96.13	96.19	+ 0.03	29,607
Jun 98	96.08	95.98	96.04	+ 0.01	25,273
Sep 98	95.94	95.84	95.88	— 0.02	29,225
Dec 98	95.75	95.65	95.68	— 0.02	27,197
Mar 99	95.55	95.48	95.51	— 0.01	24,383
Jun 99	95.38	95.32	95.35	— 0.01	8,711
Sep 99	95.19	95.19	95.21	— 0.02	6,537
Est. sales: 64,682					
Open int: 269,090 up 249.					

	High	Low	Latest	Chge	Opint
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.30	93.22	93.26	Unch.	97,474
Dec 97	93.64	93.51	93.57	—0.04	93,511
Mar 98	93.95	93.80	93.87	—0.05	55,508
Jun 98	94.20	94.07	94.13	—0.05	46,349
Sep 98	94.34	94.20	94.28	—0.05	37,197
Dec 98	94.39	94.26	94.33	—0.04	28,541
Mar 99	94.32	94.20	94.25	—0.05	18,084
Est. sales: 61,197. Prev. sales: 46,925					
Prev. open int.: 385,870 up 3,215					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	72.90	72.05	72.27	-0.83	7,257
Dec 97	73.25	72.40	72.65	-0.70	42,891
Mar 98	74.50	73.95	74.12	-0.53	12,340
May 98	75.30	74.77	74.95	-0.47	5,104
Jul 98	76.20	75.60	75.60	-0.65	5,110
Est. sales N.A. Mon's sales 8,498					
Mon's open int 80,124, up 531					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Sep 97	52.65	51.90	52.30	+0.10	22,998
Oct 97	53.45	52.55	52.85	-0.08	42,778
Nov 97	54.45	53.70	53.90	-0.08	20,415
Dec 97	55.51	54.75	54.95	-0.03	20,595
Jan 98	56.30	55.60	55.65	+0.02	18,314
Feb 98	56.35	56.00	56.00	+0.07	8,893
Mar 98	56.00	55.50	55.75	+0.47	7,775
Est. sales N.A. Mon's sales 60,737					
Mon's open int 152,900, up 529					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Oct 97	19.42	19.16	19.28	+0.02	104,449
Nov 97	19.54	19.32	19.41	+0.04	45,659
Dec 97	19.67	19.45	19.53	+0.04	48,172
Jan 98	19.67	19.50	19.59	+0.04	28,620
Feb 98	19.70	19.62	19.62	+0.04	14,117
Mar 98	19.70	19.62	19.63	+0.04	9,963
Est. sales N.A. Mon's sales 118,853					
Mon's open int 397,611, up 263					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Sep 97	2.560	2.405	2.514	+0.025	26,571
Oct 97	2.550	2.460	2.503	+0.013	52,205
Nov 97	2.680	2.600	2.640	+0.017	18,984
Dec 97	2.785	2.725	2.745	+0.010	19,239
Jan 98	2.795	2.740	2.745	+0.002	19,077
Feb 98	2.590	2.540	2.545	-0.005	13,437
Est. sales N.A. Mon's sales 61,219					
Mon's open int 221,450, off 5,378					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Sep 97	64.70	63.10	63.81	-0.69	20,931
Oct 97	59.20	58.50	58.91	-0.29	38,755
Nov 97	56.90	56.10	56.60	-0.10	13,046
Dec 97	56.25	55.85	56.10	+0.05	11,420
Jan 98	56.20	55.90	56.05	+0.13	11,509
Feb 98			56.40	+0.18	1,442
Mar 98			56.90	+0.18	4,717
Apr 98			59.65	+0.28	2,438
Est. sales N.A. Mon's sales 43,927					
Mon's open int 106,077, off 4,446					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 97	164.50	162.50	163.00	—1.25	19,331
Oct 97	166.50	164.50	165.25	—1.50	18,227
Nov 97	168.25	166.75	167.25	—1.50	9,001
Dec 97	170.25	168.50	169.00	—3.50	15,058
Jan 98	171.75	170.25	170.25	—3.25	9,473
Feb 98	171.75	170.75	170.50	—3.00	5,394
Mar 98	170.50	169.50	169.50	—2.50	2,476
Est. sales: 20,200. Prev. sales: 20,475					
Prev. open int.: 86,678 up 3,979					
Stock Indexes					
SP COMP INDEX (CMER) 500 x index					
Sep 97	926.00	912.00	917.50	-5.85	182,612
Dec 97	935.00	924.00	926.75	-6.50	14,835
Mar 98	944.50	943.25	943.25	-0.15	2,307
Est. sales N.A. Mon's sales 57,875					
Mon's open int 200,546, off 13					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	4945.0	4830.0	4907.0	+7.0	69,448
Dec 97	4991.0	4971.0	4970.0	+6.0	7,091
Mar 98	N.T	N.T	5015.0	+6.0	1,700
Est. sales: 9,612. Prev. sales: 18,420					
Prev. open int.: 78,239 up 68					
CAC 40 (MATIF) FF200 per index point					
Aug 97	2912.0	2834.0	2861.0	— 37.0	33,172
Sep 97	2920.0	2847.0	2868.0	— 38.0	24,797
Dec 97	2926.0	2900.5	2891.5	— 38.5	931
Mar 98	2917.0	2915.0	2918.0	— 37.0	9,480
Est. sales: 58,184.					
Open int.: 78,116 up 1,046.					

Commodity Indexes

	Close	Previous
Moody's	1,571.00	1,571.70
Reuters	N.A.	1,895.40
D.J. Futures	149.16	149.03
CRB	237.49	237.54

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Stork's Net Rises 6... Lifted by New Units

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EUROPE

Stork's Net Rises 62%, Lifted by New Units

Bloomberg News

NAARDEN, Netherlands — Stork NV, a Dutch maker of industrial machinery, said Tuesday that first-half profit rose 62 percent, aided by the inclusion of its Fokker units, which were not part of the company a year earlier.

Net income rose to 65.4 million guilders ($31.9 million) in the half ended June 30, from 40.4 million guilders in the half ended June 15, 1996.

Operating profit rose 75 percent to 96 million guilders on sales of 2.08 billion guilders, up from 1.41 billion in the year-earlier period.

The company, which bought the aircraft services and technology units of the bankrupt airplane maker Fokker NV in July 1996, said their addition lifted operating profit.

Stork amended its accounting methods to report a 12-month period, rather than 13 four-week periods. This means the first half is now 26 weeks, not 24 weeks as in last year's figures.

"The extra two weeks made something of a difference," said Joost van Beek of Kempen & Co. "The Fokker thing is a one-off, and there will presumably be no impact of acquisitions for the first half of next year. The numbers are basically an overstatement of developments on a full-year basis."

The company forecast a "strong rise" in full-year net and earnings per share, without being more specific.

Stork's shares finished up 3.10 guilders, at 85.7.

Fokker Aviation helped lift the operating profit of the company's industrial-components unit, which rose to 25 million guilders from 9 million.

Stork is reorganizing and divesting its foreign installation and assembly business, which it said had posted a "considerable" loss.

Hoechst Sheds Rugby Generic-Drug Unit

Compiled by Our Staff From Dispatches

NEW YORK — Hoechst Marion Roussel said Tuesday that it would sell its Rugby Group generic-drug unit to Watson Pharmaceuticals Inc. of the United States.

The U.S. unit of Hoechst AG, which still owns three other makers of generic drugs — Arthur H. Cox in Britain, Berk in Japan and Copley Pharmaceutical Inc. in the United States — has decided to focus more narrowly on brand-name drugs, said Peter Ladell, chief operating officer.

"The decision to divest Rugby is consistent with our company's near- and long-term global strategy," he said.

Generic drugs are drugs on which the patent has expired, which means the maker loses exclusive manufacturing rights. Generic drugs can then be produced by competing companies.

Price erosion for generic drugs in the United States in the past two years, legal woes at Copley and the desire to focus efforts on developing so-called blockbuster drugs have prompted Hoechst to step up its efforts to get out of generics, said Sven Borho of Mehta & Isaly.

"Direct participation in the generic-drug business is not part of our core business strategy," Mr. Ladell said, "which is to discover and develop novel, branded pharmaceutical therapies for important human illnesses and make them widely and rapidly available to patients."

In Frankfurt, shares in Hoechst AG fell 4.75 percent, or 3.45 Deutsche marks, to 69.15 DM ($37.89).

Watson will pay $70 million initially, with additional payments based on future operating results. Other terms were not disclosed.

Besides acquiring Rugby, which is based in Georgia, Watson also is buying the company's applications for new generic drugs, which include several licensed products.

Rugby had 1996 sales to pharmacies of $307.4 million, down from $401.7 million in 1995, and would be ranked 38th among American drugmakers according to IMS America. Watson had 1996 sales of $142.9 million, a 97 percent increase over 1995 sales.

Hoechst is also expected to jettison its beleaguered Copley division. The company paid $55 a share, or $546 million, for a majority stake in Copley and has watched the share price plunge to about $6.50 this week.

In May, Copley pleaded guilty to federal criminal charges for falsifying drug reports to the Food and Drug Administration and agreed to pay a $10.7 million fine, the largest ever for a generic-drug company.

"The Copley division will be sold," said Hemant Shah, an independent pharmaceutical industry analyst. "That's been a real disaster for Hoechst."

The acquisition of Rugby will nearly double Watson's generic product line and expand its new product list with six approved generic drugs.

(Reuters, AP, AFX, Bloomberg)

■ Bertelsmann Sells Italy Unit

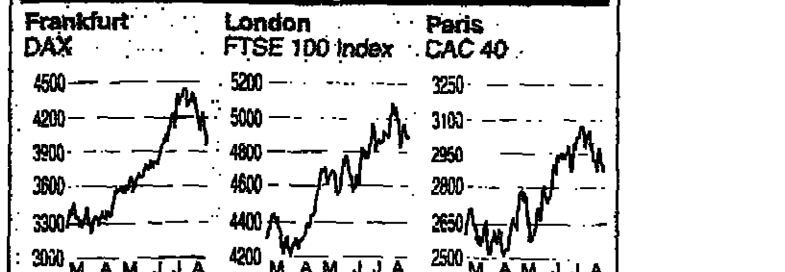
Bertelsmann AG said Tuesday that it had agreed to sell Cartiere Holding Industriale SpA, an Italian paper producer, to an investor group. Reuters reported from Guetersloh, Germany. No price was disclosed.

Bertelsmann said it was pulling out of the paper business to concentrate on its core media activities.

The group buying Cartiere is led by the British investment firm CVC Capital Partners and includes the management of Cartiere.

Cartiere employs 600 workers at a plant in Italy and distribution units in Germany, England and France. It has annual sales of about 400 million DM.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	903.44	922.19	-2.03
Brussels	BEL-20	2,341.82	2,360.84	-0.81
Frankfurt	DAX	3,959.33	4,071.79	-2.76
Copenhagen	Stock Market	627.31	631.13	-0.61
Helsinki	HEX General	3,380.08	3,428.37	-1.41
Oslo	OBX	675.62	680.16	-0.67
London	FTSE 100	4,886.30	4,901.10	-0.30
Madrid	Stock Exchange	580.11	585.94	-0.99
Milan	MIBTEL	14160	14282	-0.85
Paris	CAC 40	2,869.26	2,898.57	-1.01
Stockholm	SX 16	3,352.15	3,380.12	-0.83
Vienna	ATX	1,331.29	1,329.89	+0.11
Zurich	SPI	3,467.70	3,531.35	-1.80

Source: Telekurs — International Herald Tribune

UBS to Buy German Private Bank

Bloomberg News

ZURICH — Union Bank of Switzerland said Tuesday that it was buying the German private bank Schroeder Muenchmeyer Hengst Co. for 350 million Deutsche marks ($192.4 million) in a bid to increase its most profitable unit and expand in Germany.

Switzerland's biggest bank will buy a 90 percent stake in the Hamburg-based money manager from Lloyds TSB Group PLC of Britain for about £100 million ($160.7 million), and acquire the remainder from the German bank's partners.

The purchase comes as banks and insurers worldwide seek the steady earnings streams of money management. The chief executive, Mathis Cabiallavetta, had said since assuming his post last year that UBS would buy a money manager.

UBS's private banking and asset management unit accounts for about half of the company's total earnings, which rose 67 percent to 1.86 billion francs ($1.24 billion) in the first half and are expected to swell to a record 3 billion francs for the full year.

"It makes sense that they are doing something in this area," said Lorenz Reinhard, a fund manager at Bank Julius Baer & Co. AG in Zurich. "We've waited a long time for this, and it's the first step in the right direction."

Earlier this year, UBS was reported to be in talks to purchase Scudder, Stevens & Clark Inc., but the Chicago-based money manager was later snapped up by Zurich Insurance Co. for about $1.67 billion in cash and stock.

UBS shares slipped 15 francs to 1,485, in a falling market. Lloyds shares fell 6 pence to close at 719 pence.

Improved Sales Lift Telia's Net In First Half

Bloomberg News

STOCKHOLM — Telia AB, the Swedish telecommunications company, said Tuesday that net profit increased 12 percent in the first half as a rise in sales and lower financial losses outweighed lower margins.

Profit rose to 1.00 billion kronor ($126.2 million) from 895 million kronor in the first half of 1996.

The state-owned company is considering a sale of shares to the public to prepare for the increased competition that will accompany full deregulation of the European Union's telecommunications markets, scheduled for next year.

"Competition continues to pressure prices on telecom services," Chief Executive Lars Berg said. "Profitability must endure yet more pressure in the short term because of restructuring."

Sales rose 10 percent to 22.51 billion kronor. Gross margins fell to 26.2 percent from 28.3 percent in the year-earlier period.

ING Renews Pursuit of a U.S. Brokerage

Compiled by Our Staff From Dispatches

NEW YORK — Internationale Nederlanden Groep NV is considering buying an American brokerage firm and is in talks with several investment banks, including Furman Selz Inc., people close to the companies said Tuesday.

ING, the biggest Dutch financial-services company, bought Barings PLC in 1995. But it was unable to buy an American securities firm despite talks with Montgomery Securities, Dillon, Read & Co. and Oppenheimer & Co.

"ING simply wants to be here," said Robert Tortoriello, a partner at Cleary Gottlieb Stein & Hamilton, a New York law firm. "They have a securities subsidiary that isn't that big a player."

The price being discussed for Furman Selz is around $300 million, according to a media report that cited people familiar with the situation.

ING in Amsterdam refused comment on the report. Executives at Furman Selz also refused to comment.

ING has said it wants to expand in the United States to get a piece of the $100 billion a year in revenue generated by the American securities industry. It lost out in May when Swiss Bank Corp. bought Dillon Read for $600 million.

Furman Selz — a firm of about 700 employees that specializes in investment banking for health care, media, and shipping companies — "would fit the bill" for ING, Mr. Tortoriello said. *(Bloomberg, AFX)*

Very briefly:

- **South Africa's** economy expanded 2.5 percent on an annualized basis in the second quarter, compared with a 1 percent contraction in the first quarter. But the government revised downward its growth forecast for 1997 to 2.2 percent from 2.9 percent. The economy grew 3.1 percent in 1996.
- **Asiana Air Inc.** of South Korea said it had concluded a final contract with **Airbus Industrie** for the purchase of six planes, the manufacturer said. The order is worth about $700 million based on catalogue prices. Asiana until now has had a fleet totally made by **Boeing Co.**
- **Alusuisse-Lonza Holding AG** said that first-half net profit rose by a lower-than-expected 7.7 percent, to 223 million Swiss francs ($148.7 million) and that results had been restrained by its chemicals unit, where profit fell 19 percent.
- **Italy's** balance of payments showed a surplus of 12.13 trillion lire ($6.82 billion) in July compared with a deficit of 323 billion lire a year earlier.
- **Denmark** unveiled its draft budget for 1998, showing a surplus in state accounts for the first time in a decade and predicting sound economic growth.
- **Jyske Bank A/S**, Denmark's fourth-largest bank, said net income rose to 498 million kroner ($71.8 million) in the first half, up 35 percent from a year earlier, as gains on investments surged and losses on bad debt fell.
- **British Telecommunications PLC** said it would invest £9.1 million ($14.6 million) to build a telephone sales operation in southwest Belfast, creating 750 jobs.
- **European Group Newspapers** bought the title and assets of the newspaper U.K. Sunday Business "for a nominal fee" and said it planned to launch a new title "in the near future."
- **Reed Elsevier PLC** declined to comment on reports that it was considering the sale of its consumer magazine operations. Analysts estimated they were worth £750 million to £800 million.

Reuters, Bloomberg, AFX, Bridge News

WORLD STOCK MARKETS

Tuesday, Aug. 26

Prices in local currencies.
Telekurs

Amsterdam
AEX index: 903.44 Previous: 922.19

	High	Low	Close	Prev.
ABN-AMRO	45.30	41.10	42.50	43.80
Aegon	160	153.10	153.80	159.20
Ahold	55.60	52.70	54	55.60
Akzo Nobel	342	334	338.60	338
Baan Co.	143.50	133.20	136.70	144.50
Bols Wess cva	39.20	37.50	38.10	38.80
CSM cva	100.80	99.20	99.50	100
Dordtsche Pet	108.40	105	105.10	108
DSM	204.90	194.50	195	202
Elsevier	31.30	30.10	31.10	30.90
Fortis Amev	85.80	81.30	83.10	84.80
Getronics	63.80	62.30	63.20	63.80
G-Broc cva	59.90	57.50	58	60
Hagemeyer	105.40	100	101.50	104
Heineken	333.50	320	321	330
Hoogovens cva	130.50	124.30	125.20	129
Hunt Douglas	90.80	85	87	90.50
ING Group	95	90.70	92.90	93.60
KLM	75.30	69.60	71	74.80
KNP BT	46.30	44	45.10	45.80
KPN	78.50	74.50	75	77.20
Nedlloyd Gp	65.40	62.90	63	65
Nutricia	338	324.10	324.10	336
Oce Grinten	251.50	242.70	246.50	250
Philips Elec	152.80	146.90	148.30	151.30
Polygram	113.90	109	112.60	113
Randstad Hdg	82.40	77.60	80	81.50
Robeco	195	192.90	193.50	196.40
Rodamco	63.50	62.20	63.40	63.60
Rolinco	197	195.50	195.50	198.50
Rorento	117.20	116.40	116.40	117.50
Royal Dutch	108.90	105	105.50	108.10
Unilever cva	446.40	435.10	438.40	443.80
Vendex Intl	105.90	103	105	106
VNU	46	43	44.10	45.50
Wolters Kl cva	258	246.10	251.80	254.40

Bangkok
SET index: 525.49 Previous: 529.61

	High	Low	Close	Prev.
Adv Info Svc	178	172	174	172
Bangkok Bk F	193	184	192	191
Krung Thai Bk	24.75	23.25	24.25	23.75
PTT Explor	334	316	316	324
Siam Cement F	574	560	560	572
Siam Com Bk F	90	87	88	87
Telecomasia	38.25	33.50	33.50	37
Thai Airways	41.25	36.75	40	38
Thai Farm Bk F	118	111	113	115
Utd Comm	108	99	100	109

To Our Readers

Due to technical problems at the source, the Bombay stock prices were not available.

Brussels
BEL-20 index: 2341.82 Previous: 2360.84

	High	Low	Close	Prev.
Almanij	1670	1625	1625	1670
Barco Ind	7470	7300	7450	7520
BBL	8800	8550	8700	8660
CBR	3090	3000	3020	3100
Colruyt	18400	17700	18100	18400
Delhaize Lion	1760	1725	1725	1760
Electrabel	7390	7250	7250	7370
Electrafina	3550	3475	3490	3510
Fortis AG	7230	6970	7060	7140
Gevaert	3310	3265	3265	3320
GBL	5670	5600	5650	5650
Gen Banque	14300	13850	14100	14125
Kredietbank	14300	13900	14025	14200
Petrofina	13750	13325	13450	13675
Powerfin	4875	4830	4850	4860
Royale Belge	10450	10100	10450	10375
Soc Gen Belg	3415	3330	3375	3380
Solvay	20850	20400	20525	20650
Tractebel	14650	14500	14650	14650
UCB	122900	119900	121600	122900

Copenhagen
Stock index: 627.31 Previous: 631.13

	High	Low	Close	Prev.
BG Bank	382.38	378	382	385
Carlsberg B	358	352	356	354
Codan Fors	940	938.83	940	945
Danisco	381	371	375	380
Den Danske Bk	703	690	695	705
D/S Svendborg B	426000	425000	426000	426000
D/S 1912 B	300000	294761	295000	297000
FLS Ind B	245	232	238	240
Kob Lufthavne	735	730	735	735
Nvo Nordisk B	701	695	700	699
Sophus Ber B	971	945	953	961.82
Tele Danmk B	382	376	382	384
Tryg Baltica	424	417	423	422
Unidanmark A	435	415	431	435

Frankfurt
DAX: 3959.33 Previous: 4071.79

	High	Low	Close	Prev.
AMB B	1635	1625	1625	1625
Adidas	228.50	224.10	224.10	229.80
Allianz Hdg	409.50	401	402	413.50
Altana	137	131	131.70	138
Bk Berlin	46.70	45.50	46	47.45
BASF	63.88	62	63.10	64.65
Bayer Hypo Bk	67.95	66.35	66.55	68.30
Bay.Vereinsbank	95.50	94.50	95	95.60
Bayer	68.35	67	67.30	69.30
Beiersdorf	81.50	79	79	82.60
Bewag	40.95	38.50	38.50	40
BMW	1320	1281.50	1281.50	1328
CKAG Colonia	160	157	157	161
Commerzbank	66.70	65.60	65.60	67.20
Daimler Benz	135.40	133.70	134.40	137
Degussa	96	94	94	96.50
Deutsche Bank	110.20	107.30	108.80	112.35
Deut Telekom	39.35	37.55	38.40	38.70
Dresdner Bank	74.10	72.10	72.10	73.60
Fresenius	338	326	330	335
Fresenius Med	135.50	133	133.50	137
Fried Krupp	362	352	358	361.50
Gehe	108.50	106.10	106.60	108.30
Heidelbg Zmt	155	145	145	153
Henkel pfd	97.50	93.70	95	100.50
HEW	455	455	455	450
Hochtief	86	83	83.50	86.20
Hoechst	71.30	69.10	69.15	72.60
Karstadt	655	647	653	652
Lahmeyer	95	94	94	96
Linde	1230	1195	1212	1235
Lufthansa	37.55	36.30	36.80	36.50
MAN	520	513.70	516.50	525
Mannesmann	864	833	840.50	877
Metallgesellschaft	40	39.10	39.10	40.20
Metro	93.20	90.50	91.50	93.30
Munch Rueck R	565.50	527	532	564
Preussag	520	485	512	536
RWE	81	77	79	81.65
SAP pfd	412	402	405.80	410.20
Schering	186	179	180.60	189
SGL Carbon	230	222	222	232.30
Siemens	113.90	110.10	112.95	117.60
Springer (Axel)	1620	1620	1620	1635
Suedzucker	880	860	860	882
Thyssen	421	416	417.50	421.50
Veba	100.10	96.50	98.10	100.20
VEW	572	572	573	573
Viag	795	770	773	800
Volkswagen	1317	1297	1305	1317

Helsinki
HEX General index: 3380.08 Previous: 3428.37

	High	Low	Close	Prev.
Enso A	47.80	46.50	47.20	47.20
Huhtamaki I	223.50	218	218	223.50
Kemira	48.40	47	47	48
Kesko	72	70.60	70.80	71.20
Merita A	22.70	21.80	21.80	22.60
Metra B	162	156	157	161.10
Metso-Serla B	47	45.50	46	47.50
Neste	140	137	137	139
Nokia A	436	423	429.10	434
Orion-Yhtymae	185	181	181	185
Outokumpu A	94	89	89.50	94
UPM-Kymmene	134	130.50	131.20	133
Valmet	79.30	78	78	79

Hong Kong
Hang Seng: 15847.22 Previous: 15598.88

	High	Low	Close	Prev.
Amoy Props	9.10	8.65	8.65	8.70
Bk East Asia	30.60	30	30.10	30.40
Cathay Pacific	13.65	13.15	13.30	13.45
Cheung Kong	92.50	89.75	91.50	89.75
CK Infrastruct	25.80	25.30	25.30	25.75
China Light	39	38.50	38.60	38.80
Citic Pacific	45.40	44.30	44.40	45.10
Dao Heng Bk	43.90	42.30	42.30	44.60
First Pacific	9.20	9.05	9.10	9.10
Hang Lung Dev	15.05	14.80	14.95	14.80
Hang Seng Bk	105.50	102	103.50	104.50
Henderson Inv	9.20	8.75	8.90	9.10
Henderson Ld	72	70	70.50	70.25
HK China Gas	16.45	16.10	16.25	16.45
HK Electric	28.60	28.35	28.45	28.50
HK Telecomm	18.50	18.15	18.20	18.45
Hopewell Hdgs	5	4.83	4.85	4.92
HSBC Hdgs	259	256	256	257
Hutchison Wh	77.75	76	76.75	76.25
Hysan Dev	24.30	23.90	23.90	24
Johnson El Hdg	22.20	21.70	21.70	22.20
Kerry Props	20.60	20.45	20.60	20.45
New World Dev	53.25	51.25	52	52.50
Oriental Press	2.80	2.75	2.80	2.77
Pearl Oriental	1.48	1.39	1.40	1.44
SHK Props	98	95	96.25	96.50
Shun Tak Hdgs	4.80	4.67	4.80	4.70
Sino Land Co.	7.75	7.60	7.75	7.65
Sth China Post	7.05	6.80	7	6.90
Swire Pac A	66.50	65	66.25	65.25
Wharf Hdgs	30	29.45	29.50	29.65
Wheelock	18	17.75	17.80	17.95

Jakarta
Composite index: 554.24 Previous: 542.65

	High	Low	Close	Prev.
Astra Intl	5600	5325	5400	5725
Bk Intl Indon	1100	825	1050	950
Bk Negara	1100	975	1050	1050
Gudang Garm	9175	8400	9150	8700
Indocement	3500	3000	3375	3200
Indofood	3700	3325	3600	3800
Indosat	7000	6700	6900	6850
Sampoerna HM	7700	6950	7375	7200
Semen Gresik	3450	2950	3350	3100
Telekomunikasi	3400	3125	3350	3200

Johannesburg
All Market: 7378.42 Previous: 7398.58

	High	Low	Close	Prev.
Amalgamtd Bks	31.25	30.25	30.70	31.25
AngloAm Coal	266.50	266.50	267	266.50
AngloAm Corp	248	242.50	244	246.50
AngloAm Gold	262	258	258.50	261.50
AngloAm Ind	204	199	199.50	202
AVMIN	11.45	11.30	11.30	11.40
Barlow	56	54.75	55.25	55.75
C.G. Smith	25	24.50	25	25
De Beers	150	148.50	149.50	148.75
Driefontein	35.10	34.75	35	34.85
Fst Natl Bk	38.35	37.90	37.90	38.10
Gencor	10.50	10.20	10.40	10.45
GFSA	97	96.50	97	96
Imperial Hdgs	63.50	62.25	63	63
Ingwe Coal	24.25	24	24	24.20
Iscor	[illegible]	2.98	2.99	2.98
Johnnies Indl	63.50	61.50	63	63.25
Liberty Hdgs	369.50	368	368	369.25
Liberty Life	141.75	140.75	141.50	141.25
LibLife Strat	17.30	16.65	16.85	17.25
Minorco	99.50	98.75	98.75	98.50
Nampak	20.05	19.50	19.60	20
Nedcor	94.25	92	92.25	94
Rembrandt Gp	46.15	45.75	46.15	45.65
Richemont	66.25	64.50	65.25	66
Rust Platinum	80.50	80	80	80.25
SA Breweries	142.50	140.50	141	141
Samancor	36	34.50	36	34.50
Sasol	61.75	61	61.50	61.25
SBIC	216.50	214.50	214.75	216.50
Tiger Oats	74	73	73	76

Kuala Lumpur
Composite: 856.80 Previous: 883.96

	High	Low	Close	Prev.
AMMB Hdgs	11.80	11.40	11.60	11.70
Genting	10.70	10.50	10.50	10.70
Mal Banking	21.40	20	20.10	21.10
Mal Intl Ship F	6.45	5.60	5.60	5.90
Petronas Gas	9.25	8.95	9.10	8.95
Proton	8.30	8.05	8.20	8.10
Public Bk	3.34	3.08	3.12	3.34
Renong	3.30	3.24	3.30	3.30
Resorts World	7.30	7.05	7.15	7.30
Rothmans PM	26	25.25	25.75	25.25
Sime Darby	7.75	6.95	7	7.65
Telekom Mal	8.80	8.20	8.35	8.55
Tenaga	9.45	8.95	8.95	9.30
Utd Engineers	14.90	12.90	12.90	14.70
YTL	6.75	6.50	6.70	6.80

London
FT-SE 100: 4886.30 Previous: 4901.10

	High	Low	Close	Prev.
Abbey Natl	8.35	8.08	8.21	8.27
Allied Domecq	4.70	4.58	4.63	4.61
Anglian Water	7.77	7.67	7.73	7.69
Argos	6.30	6.21	6.23	6.35
Asda Group	1.50	1.20	1.49	1.51
Assoc Br Foods	5.08	5.03	5.06	5.03
BAA	5.67	5.57	5.60	5.62
Barclays	14.12	13.90	14.01	14.09
Bass	8.17	8.10	8.13	8.15
BAT Ind	5.43	5.15	5.31	5.09
Bank Scotland	4.20	4.08	4.10	4.16
Blue Circle	4.19	4.03	4.17	4.04
BOC Group	11.14	11	11.02	11.08
Boots	8.04	7.95	7.98	7.93
BPB Ind	3.45	3.39	3.41	3.42
Brit Aerosp	14.47	14.31	14.37	14.42
Brit Airways	6.60	6.40	6.45	6.54
BG	2.67	2.58	2.61	2.63
Brit Land	6.02	5.88	5.91	5.92
Brit Petm	8.85	8.61	8.67	8.78
BSkyB	4.41	4.30	4.37	4.40
Brit Steel	1.78	1.74	1.76	1.75
Brit Telecom	4.70	4.05	4.14	4.36
BTR	2.21	2.09	2.11	2.15
Burmah Castrol	11.05	10.85	10.98	10.89
Burton Gp	1.27	1.25	1.26	1.26
Cable Wireless	5.66	5.44	5.52	5.66
Cadbury Schw	5.85	5.74	5.80	5.83
Carlton Comm	5.15	5.05	5.09	5.14
Comml Union	7.31	7.18	7.25	7.25
Compass Gp	6.26	6.21	6.24	6.24
Courtaulds	3.25	3.18	3.21	3.23
Dixons	6.64	6.52	6.54	6.66
Electrocomponents	4.70	4.67	4.67	4.68
EMI Group	5.58	5.45	5.55	5.52
Energy Group	6.20	6.16	6.19	6.21
Enterprise Oil	6.94	6.83	6.90	6.79
Fam Colonial	1.73	1.71	1.72	1.73
Genl Accident	9.40	9.18	9.36	9.35
GEC	3.76	3.71	3.74	3.72
GKN	11.85	11.68	11.73	11.83
Glaxo Wellcome	12.35	12.13	12.24	12.29
Granada Gp	8.28	8.10	8.23	8.07
Grand Met	5.82	5.68	5.81	5.79
GRE	2.77	2.70	2.74	2.75
Greenalls Gp	4.90	4.83	4.89	4.85
Guinness	5.70	5.65	5.69	5.75
GUS	6.45	6.35	6.39	6.38
Hays	6.12	6.07	6.12	6.09
HSBC Hldgs	20.65	20.08	20.26	20.33
ICI	10.16	9.95	10.09	10.10
Impl Tobacco	3.95	3.87	3.92	3.87
Kingfisher	7.34	7.23	7.33	7.20
Ladbroke	2.68	2.60	2.62	2.59
Land Sec	9.27	9.15	9.20	9.07
Lasmo	2.67	2.57	2.63	2.64
Legal Genl Grp	4.52	4.45	4.51	4.49
Lloyds TSB Gp	7.32	7.04	7.19	7.25
LucasVarity	2.02	1.97	1.98	1.98
Marks Spencer	5.82	5.72	5.76	5.87
MEPC	4.79	4.70	4.76	4.74
Mercury Asset	13.68	13.48	13.60	13.43
National Grid	2.73	2.66	2.71	2.65
Natl Power	5.47	5.25	5.41	5.35
NatWest	8	7.87	7.90	7.94
Next	7.74	7.62	7.65	7.60
Norwich Union	3.42	3.34	3.37	3.35
Orange	2.09	2.06	2.08	2.06
P&O	6.47	6.40	6.44	6.47
Pearson	7.59	7.35	7.39	7.62
Pilkington	1.49	1.43	1.46	1.45
PowerGen	7.70	7.48	7.65	7.67
Premier Farnell	5.22	5.10	5.10	5.17
Prudential	6.08	5.97	6.04	6.03
Railtrack Gp	7.77	7.68	7.74	7.70
Rank Group	3.49	3.38	3.46	3.46
Reckitt Colm	9.73	9.60	9.69	9.67
Redland	3.04	2.93	2.94	3.03
Reed Intl	5.54	5.40	5.48	5.49
Rentokil Initial	2.19	2.10	2.15	2.16
Reuters Hdgs	6.35	6.21	6.27	6.25
Rexam	2.98	2.92	2.98	2.97
RTZ reg	10.04	9.93	9.99	9.97
RMC Group	10.45	10.25	10.30	10.44
Rolls Royce	2.51	2.43	2.49	2.43
Royal Bk Scot	6.03	5.88	6	5.88
Royal & Sun All	5.40	5.26	5.29	5.36
Safeway	3.80	3.74	3.78	3.76
Sainsbury	4.45	4.40	4.40	4.41
Schroders	18.40	18.20	18.23	18.28
Scot Newcastle	7.42	7.29	7.32	7.38
Scot Power	4.39	4.23	4.35	4.28
Securicor	2.82	2.73	2.77	2.82
Severn Trent	8.56	8.47	8.53	8.48
Shell Transp R	4.32	4.18	4.25	4.22
Siebe	10.98	10.75	10.81	10.96
Smith Nephew	1.78	1.76	1.77	1.76
Smith Kline	N.A.	5.34	5.32	5.37
Smiths Ind	8.35	8.28	8.31	8.35
Sthern Elec	4.68	4.59	4.62	4.62
Stagecoach	7.05	6.95	6.95	7.07
Stand Charter	10.15	9.89	9.94	10.35
Tate & Lyle	4.24	4.17	4.18	4.25
Tesco	4.21	4.11	4.15	4.16
Thames Water	7.95	7.83	7.88	7.87
3i Group	4.87	4.80	4.85	4.75
TI Group	5.96	5.85	5.95	5.88
Tomkins	3.20	3.13	3.14	3.15
Unilever	18.22	17.85	17.97	17.96
Utd Assurance	4.35	4.30	4.33	4.30
Utd News	7.07	6.98	7.01	7.01
Utd Utilities	7.05	6.95	6.99	6.98
Vendome Lx uts	4.86	4.85	4.85	4.90
Vodafone	3.19	3.10	3.14	3.25
Whitbread	8.18	8.06	8.09	8.13
Williams Hdgs	3.54	3.50	3.53	3.53
Wolseley	4.58	4.42	4.49	4.58
WPP Group	2.83	2.74	2.79	2.81
Zeneca	19.64	19.20	19.37	19.39

Madrid
Bolsa index: 580.11 Previous: 585.94

	High	Low	Close	Prev.
Acerinox	26880	26010	26100	26800
ACESA	1815	1780	1800	1810
Aguas Barcelon	5540	5490	5540	5550
Argentaria	7890	7720	7830	7890
BBV	4100	4025	4050	4100
Banesto	1470	1430	1450	1455
Bankinter	7850	7650	7720	7830
Bco Central Hisp	5850	5720	5770	5850
Bco Popular	34900	34150	34250	34790
Bco Santander	4305	4230	4275	4290
CEPSA	4635	4590	4630	4630
Continente	3400	3220	3400	3270
Corp Mapfre	8370	8210	8370	8300
Endesa	3195	3105	3105	3190
FECSA	1235	1215	1230	1235
Gas Natural	6920	6790	6860	6850
Iberdrola	1765	1720	1735	1765
Pryca	2885	2835	2850	2865
Repsol	6100	5990	6000	6110
Sevillana Elec	1380	1350	1360	1375
Tabacalera	8170	7970	8000	8100
Telefonica	4040	3965	3995	4040
Union Fenosa	1195	1180	1195	1200
Valenc Cement	2760	2730	2745	2760

Manila
PSE index: 2380.82 Previous: 2364.03

	High	Low	Close	Prev.
Ayala B	16.50	15.50	16	16.75
Ayala Land	17.75	16.50	16.75	17.50
Bk Philip Isl	137	129	131	136
C&P Homes	7.50	5.40	5.80	7.60
Manila Elec A	77.50	75	77.50	77.50
Metro Bank	472.50	445	450	475
Petron	5.30	5.10	5.10	5.40
PCIBank	198	193	193	197
Phil Long Dist	860	840	850	875
San Miguel B	55	54	54	55
SM Prime Hdg	7.10	6.90	7	7

Mexico
Bolsa index: 4917.87 Previous: 4996.18

	High	Low	Close	Prev.
Alfa A	63.20	62.70	62.80	63.10
Banacci B	23.50	22.80	23.35	23.50
Cemex CPO	41.20	40.60	40.85	41.40
Cifra C	14.64	14.42	14.42	14.70
Emp Moderna	42.25	41.20	41.70	42.20
Gpo Carso A1	57.50	56.00	56.80	57.70
Gpo F Bcomer	3.64	3.50	3.53	3.64
Gpo Fin Inbursa	34.60	34.40	34.60	34.70
Kimb Clark Mex	36.65	35.80	35.80	37.00
Televisa CPO	129.60	128.00	129.00	131.00
TelMex L	20.20	20.00	20.15	20.30

Milan
MIB Telematico: 14160.00 Previous: 14282.00

	High	Low	Close	Prev.
Alleanza Assic	14500	14170	14260	14550
Bca Comm Ital	4345	4225	4290	4310
Bca Fideuram	5945	5850	5940	5950
Bca di Roma	1565	1522	1544	1554
Benetton	26350	25500	25550	26200
Credito Italiano	3620	3545	3555	3630
Edison	8200	8050	8150	8145
ENI	10150	9910	10045	10095
Fiat	5635	5490	5515	5600
Generali Assic	37050	36100	36600	37000
IMI	16290	15995	16135	16190
INA	2600	2560	2575	2585
Italgas	5375	5240	5275	5345
Mediaset	7625	7465	7620	7505
Mediobanca	11430	11110	11430	11360
Montedison	1100	1085	1094	1097
Olivetti	753	725	746	733
Parmalat	2650	2610	2645	2645
Pirelli	4740	4605	4605	4705
RAS	14690	14570	14660	14600
Rolo Banca	22000	21550	21550	21850
S Paolo Torino	12700	12320	12440	12615
Telecom Italia	10655	10365	10400	10665
TIM	5850	5725	5780	5795

Montreal
Industrials index: 3585.10 Previous: 3592.99

	High	Low	Close	Prev.
Bca Mob Com	50.45	50	50.45	50¼
Cdn Tire A	26.35	26⅛	26.35	26.90
Cdn Util A	37.35	37.15	37.30	38
CT Finl Svc	43.90	43.90	43.90	43.85
Gaz Metro	18.20	18	18.20	18
Gt-West Lifeco	33⅛	33.20	33⅛	33.90
Imasco	39.90	39.55	39.65	39.90
Investors Grp	36.15	36	36	35.60
Loblaw Cos	20½	20.20	20.30	20.45
Natl Bk Canada	18.40	18.05	18.20	18.10
Power Corp	39	38½	38.70	38½
Power Finl	37.70	37.05	37.20	37.65
Quebecor B	26.30	26.05	26.05	26.45
Rogers Comm B	9.65	9.65	9.65	9.90
Royal Bk Cda	65.65	64.70	64.70	64.90

Oslo
OBX index: 675.62 Previous: 680.16

	High	Low	Close	Prev.
Aker A	132	130	132	131
Bergesen Dy A	203.50	198	201	202
Christiania Bk	24.90	24.40	24.90	24.80
Den norske Bk	29.70	29	29.70	29.40
Elkem	137	134	136	136
Hafslund A	45.10	45	45.10	45
Kvaerner Asa	410	398	400	410
Norsk Hydro	400	393	395.50	397
Norske Skog A	285	275	276	283
Nycomed A	153	150	150	153
Orkla Asa A	538	533	536	538
Petm GeoSvc	420	412.50	416	422
Saga Petm A	155	153	154.50	155.50
Schibsted	124	120	120	122.50
Transocean Off	645	645	645	652
Storebrand Asa	50	49.30	49.30	49.40

Paris
CAC-40: 2869.26 Previous: 2898.57

	High	Low	Close	Prev.
Accor	962	936	942	968
AGF	219	213	216	219
Air Liquide	942	919	941	923
Alcatel Alsth	792	761	777	790
Axa-UAP	406	395.50	396.50	405
Bancaire	709	686	704	700
BIC	484.90	465	468	483
BNP	282.50	271.20	280	281
Canal Plus	1030	1003	1011	1014
Carrefour	3888	3770	3782	3835
Casino	291	285.30	289	288
CCF	313.70	303.50	308.50	313.90
Cetelem	650	627	634	648
Christian Dior	955	924	926	950
CLF-Dexia Fran	560	544	556	553
Credit Agricole	1275	1275	1275	1290
Danone	930	908	913	923
Elf-Aquitaine	709	690	700	704
Eridania BS	824	812	815	810
Eurodisney	8.70	8.60	8.60	8.70
Eurotunnel	7.10	6.85	6.95	7
Gen. Eaux	699	681	695	694
Havas	379	367.10	369.60	374.40
Imetal	845	832	845	838
Lafarge	408	395	401	407
Legrand	1113	1066	1104	1083
L'Oreal	2262	2152	2236	2241
LVMH	1419	1369	1380	1414
Michelin B	357.50	345.10	353	353
Paribas A	439.40	428.50	437	437.40
Pernod Ricard	299	290	294.20	297
Peugeot Cit	690	667	671	679
Pinault-Print	2708	2600	2652	2700
Promodes	2170	2091	2170	2154
Renault	167.50	160.50	166.50	166.50
Rexel	1697	1642	1651	1698
Rh-Poulenc A	246	234.60	236.20	245
Sanofi	604	584	590	604
Schneider	319.90	312	314.50	320.20
SEB	967	941	951	960
SGS Thomson	600	577	585	582
Ste Generale	787	764	777	779
Sodexho	2825	2765	2776	2799
St Gobain	875	848	853	867
Suez (Cie)	16.05	15.75	15.75	16.15
Suez Lyon Eaux	674	646	652	666
Synthelabo	727	707	712	723
Thomson CSF	162	155.10	158.30	161
Total B	610	582	604	605
Usinor	111.90	110	111.20	110.80
Valeo	382.80	365	372.30	381.20

São Paulo
Bovespa index: 11589.10 Previous: 11421.50

	High	Low	Close	Prev.
Bradesco Pfd	11.10	10.85	11.00	10.80
Brahma Pfd	745.00	730.00	740.00	730.00
Cemig Pfd	54.90	52.50	54.30	52.59
CESP Pfd	78.50	75.00	78.50	74.00
Copel	15.90	15.89	15.90	15.85
Eletrobras	515.00	496.00	512.00	497.99
Itaubanco Pfd	645.00	620.00	645.00	630.00
Light Servicios	476.50	465.00	467.00	476.50
Lightpar	426.00	423.00	424.90	423.99
Petrobras Pfd	289.00	283.00	287.00	285.00
Paulista Luz	195.00	190.00	195.00	190.00
Sid Nacional	38.00	37.00	37.30	39.00
Souza Cruz	10.29	10.00	10.25	10.00
Telebras Pfd	143.70	140.00	143.70	142.00
Telemig	173.00	163.00	169.00	161.00
Telerj	149.01	143.00	149.00	142.15
Telesp Pfd	365.00	339.90	355.00	337.00
Unibanco	41.00	39.00	41.00	39.00
Usiminas Pfd	12.00	11.80	11.93	11.95
CVRD Pfd	27.10	26.11	27.00	26.10

Seoul
Composite index: 734.83 Previous: 741.76

	High	Low	Close	Prev.
Dacom	92000	90500	91300	92000
Daewoo Heavy	7800	7580	7600	7800
Hyundai Eng.	21000	20600	21000	20700
Kia Motors	12800	12500	12700	12900
Korea El Pwr	25100	24100	24400	25000
Korea Exch Bk	5600	5440	5500	5600
LG Semicon	48300	46000	46000	48400
Pohang Iron St	61000	59700	60000	61300
Samsung Display	48500	47500	47600	48200
Samsung Elec	72700	71900	72500	73800
Shinhan Bank	9430	9290	9310	9420
SK Telecom	514000	500000	500000	517000

Singapore
Straits Times: 1926.28 Previous: 1913.55

	High	Low	Close	Prev.
Asia Pac Brew	N.T.	N.T.	N.T.	5.50
Cerebos Pac	4.48	4.36	4.38	4.46
City Devts	11.90	11.60	11.70	11.90
Cycle Carriage	11.40	11.30	11.30	11
Dairy Farm Int*	0.91	0.86	0.87	0.90
DBS foreign	17.80	17.20	17.20	17.40
DBS Land	4.28	4.20	4.26	4.20
Fraser & Neave	9	8.80	8.80	8.90
HK Land*	3.24	3.18	3.22	3.24
Jard Matheson*	7.35	7.05	7.15	7.25
Jard Strategic*	3.94	3.92	3.92	3.94
Keppel A	5.95	5.65	5.70	6
Keppel Bank	3.62	3.52	3.58	3.52
Keppel Fels	4.50	4.36	4.48	4.50
Keppel Land	4.18	4.16	4.18	4.18
OCBC foreign	13.10	12.60	12.70	13.10
OS Union Bk F	8.20	8.05	8.15	8.15
Parkway Hdgs	6.35	6.25	6.35	6.30
Sembawang	6.80	6.60	6.65	6.85
Sing Air foreign	12.80	12.30	12.30	12.50
Sing Land	7.30	7.30	7.30	7.30
Sing Press F	24.80	23.70	23.80	24.70
Sing Tech Ind	2.80	2.66	2.67	2.81
Sing Telecomm	2.47	2.42	2.44	2.44
Tat Lee Bank	2.90	2.77	2.86	2.77
Utd Industrial	1.11	1.06	1.09	1.08
Utd O'Sea Bk F	14	13.70	13.80	14.20
Wing Tai Hdgs	3.62	3.54	3.54	3.60

*: in U.S. dollars.

Stockholm
SX 16 index: 3352.15 Previous: 3380.12

	High	Low	Close	Prev.
AGA B	117.50	113.50	114	114
ABB A	120.50	117	118	119
AssiDoman	247	235	245	243
Astra A	129.50	123.50	128.50	127
Atlas Copco A	245	241	244	244
Autoliv	304.50	298	302.50	303.50
Electrolux B	580	568	578	580
Ericsson B	345	332.50	338.50	344.50
Hennes B	308	296	304	309
Incentive A	719	716	717	717
Investor B	400.50	390	396	400
MoDo B	265	259.50	260	265.50
Nordbanken	251	245	250	249.50
Pharm/Upjohn	278	271	276	279.50
Sandvik B	245	240	241	246
Scania B	221	216.50	220	221.50
SCA B	181	175.50	179.50	180.50
S-E Banken A	83.50	81	83	83
Skandia Fors	324	313.50	319	321
Skanska B	321	315.50	319	323.50
SKF B	215	210.50	211.50	216
Sparbanken A	176	173	175	177
Stora A	131	128	129	130.50
Sv Handles A	243.50	236	243	242
Volvo B	211	204	207	210

Sydney
All Ordinaries: 2626.30 Previous: 2637.10

	High	Low	Close	Prev.
Amcor	8.27	8.18	8.21	8.30
ANZ Bkng	10.12	9.97	10	10.07
BHP	17.28	17.11	17.23	17.20
Boral	4.02	4	4.02	4
Brambles Ind.	28.20	28	28.15	28.20
CBA	15.36	15.18	15.21	15.33
CC Amatil	15.18	14.80	14.80	15.20
Coles Myer	6.54	6.35	6.35	6.49
Comalco	7.12	6.96	7.05	6.93
CSR	5.03	4.95	4.99	5.03
Fosters Brew	2.65	2.57	2.58	2.62
Goodman Fld	1.97	1.96	1.96	1.96
ICI Australia	13.13	12.95	13.04	13.14
Lend Lease	30.50	30.35	30.40	30.36
MIM Hdgs	1.71	1.66	1.67	1.67
Nat Aust Bank	19.13	18.98	19.04	19.10
Nat Mutual Hdg	2.11	2.10	2.11	2.10
News Corp	5.85	5.82	5.82	5.82
Pacific Dunlop	3.62	3.53	3.59	3.61
Pioneer Intl	4.69	4.55	4.56	4.68
Pub Broadcast	8.13	8.10	8.13	8.08
Rio Tinto	20.60	20.20	20.23	20.50
St George Bank	8.25	8.20	8.25	8.24
WMC	7.34	7.18	7.18	7.32
Westpac Bkng	8.14	8.01	8.05	8.12
Woodside Pet	11.20	11.10	11.13	11.21
Woolworths	4.16	4.10	4.13	4.11

Taipei
Stock Market index: 10116.84 Previous: 10011.47

	High	Low	Close	Prev.
Cathay Life Ins	745	142	142	142
Chang Hwa Bk	115.50	113	113	113
Chiao Tung Bk	98.50	96	98.50	92.50
China Developmt	140	137	138	136
China Steel	31.20	30.50	30.80	30.20
First Bank	115.50	113	113	112.50
Formosa Plastic	66.50	64	66.50	63.50
Hua Nan Bk	125	122	122	120.50
Intl Comm Bk	57	55	56.50	54.50
Nan Ya Plastics	81.50	79	80.50	77.50
Shin Kong Life	98	95	95	96
Taiwan Semi	173	167	168	170
Tatung	44.50	43.40	44.50	43.30
Utd Micro Elec	142	138	138	138
Utd World Chin	65	63.50	64	63

Tokyo
Nikkei 225: 18814.98 Previous: 18654.17

	High	Low	Close	Prev.
Ajinomoto	1170	1100	1160	1160
All Nippon Air	715	705	714	703
Amway	3360	3300	3330	3380
Asahi Bank	908	899	903	899
Asahi Chem	648	647	648	645
Asahi Glass	949	940	945	941
Bk Tokyo Mitsu	2270	2240	2250	2260
Bk Yokohama	506	503	503	505
Bridgestone	2740	2690	2730	2720
Canon	3410	3360	3390	3360
Chubu Elec	2030	1990	2020	2030
Chugoku Elec	1960	1940	1960	1950
Dai Nipp Print	2710	2670	2710	2700
Daiei	841	831	841	850
Dai-Ichi Kang	1480	1440	1470	1440
Daiwa Bank	652	642	649	647
Daiwa House	1400	1380	1390	1410
Daiwa Sec	740	720	740	736
DDI	7000a	6850a	6900a	7010a
Denso	2670	2630	2650	2640
East Japan Ry	5260a	5110a	5220a	5200a
Eisai	2400	2350	2400	2380
Fanuc	4760	4590	4710	4570
Fuji Bank	1570	1540	1540	1550
Fuji Photo	4660	4570	4610	4610
Fujitsu	1580	1540	1580	1560
Hachijuni Bk	1160	1140	1160	1140
Hitachi	1200	1160	1190	1180
Honda Motor	3630	3570	3630	3600
IBJ	1720	1690	1720	1690
IHI	377	365	377	365
Itochu	520	511	520	511
Ito-Yokado	6930	6810	6810	6930
JAL	475	467	475	469
Japan Tobacco	9730a	9600a	9620a	9630a
Jusco	3180	3110	3180	3140
Kajima	666	644	666	654
Kansai Elec	2250	2220	2240	2220
Kao	1800	1780	1800	1810
Kawasaki Hvy	490	478	489	473
Kawa Steel	302	299	299	298
Kinki Nipp Ry	682	675	679	675
Kirin Brewery	1010	990	999	1000
Kobe Steel	174	169	170	170
Komatsu	853	838	853	835
Kubota	531	501	503	520
Kyocera	8200	7970	8200	8300
Kyushu Elec	1970	1960	1960	1970
LTCB	622	592	620	593
Marubeni	454	443	450	447
Marui	1930	1910	1910	1920
Matsu Comm	4360	4290	4360	4360
Matsu Elec Ind	2250	2210	2240	2220
Matsu Elec Wk	1340	1310	1340	1310
Mitsubishi	1250	1230	1240	1240
Mitsubishi Ch	309	300	306	300
Mitsubishi El	580	568	579	568
Mitsubishi Est	1740	1670	1730	1660
Mitsubishi Hvy	825	814	825	818
Mitsubishi Mat	705	697	702	708
Mitsubishi Tr	1750	1690	1730	1690
Mitsui	1060	1040	1050	1060
Mitsui Fudosan	1480	1420	1480	1430
Mitsui Trust	721	708	719	706
Murata Mfg	5190	5140	5140	5310
NEC	1540	1500	1530	1520
Nikko Sec	2240	2120	2230	2200
Nikon	590	582	590	585
Nintendo	10600	10400	10500	10400
Nipp Express	816	801	813	808
Nippon Oil	560	545	559	549
Nippon Steel	307	303	305	309
Nissan Motor	780	758	777	759
NKK	191	188	188	192
Nomura Sec	1650	1630	1650	1630
NTT	1150b	1120b	1150b	1120b
NTT Data	5380b	5170b	5370b	5210b
Oji Paper	608	604	608	609
Osaka Gas	278	273	277	274
Ricoh	1770	1730	1750	1760
Rohm	13100	13000	13000	13000
Sakura Bk	760	740	740	745
Sankyo	3880	3820	3850	3880
Sanwa Bank	1560	1520	1560	1520
Sanyo Elec	460	445	457	457
Secom	8400	8360	8360	8400
Seibu Rwy	5550	5360	5490	5300
Sekisui Chem	1060	1040	1060	1060
Sekisui House	1160	1140	1160	1150
Seven-Eleven	8670	8530	8530	8700
Sharp	1340	1310	1330	1330
Shikoku El Pwr	1960	1940	1960	1930
Shimizu	652	638	650	638
Shin-etsu Ch	3160	2990	3120	3000
Shiseido	2030	1970	2000	2000
Shizuoka Bk	1250	1220	1250	1210
Softbank	5560	5310	5310	5600
Sony	11100	10700	11100	10700
Sumitomo	1020	991	1010	987
Sumitomo Bk	1860	1830	1830	1850
Sumit Chem	480	477	480	477
Sumitomo Elec	1910	1880	1910	1900
Sumit Metal	289	281	282	284
Sumit Trust	1210	1170	1190	1170
Taisho Pharm	3070	2980	2980	2980
Takeda Chem	3380	3320	3360	3330
TDK	9390	9050	9390	9080
Tohoku El Pwr	1950	1930	1950	1930
Tokai Bank	1060	1040	1050	1040
Tokio Marine	1390	1350	1390	1350
Tokyo El Pwr	2260	2240	2250	2240
Tokyo Electron	6960	6630	6820	6810
Tokyo Gas	287	282	287	282
Tokyu Corp.	638	626	634	638
Tonen	1140	1110	1140	1110
Toppan Print	1830	1790	1800	1840
Toray Ind	817	810	814	809
Toshiba	731	721	730	721
Tostem	2630	2580	2590	2630
Toyo Trust	988	961	980	988
Toyota Motor	3270	3140	3220	3120
Yamanouchi	2930	2900	2910	2900

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6784.37 Previous: 6732.91

	High	Low	Close	Prev.
Abitibi Cons.	25.90	25¼	25½	25.80
Alberta Energy	31.15	30.80	30.90	31
Alcan Alum	51.40	50⅛	51.15	51.40
Anderson Expl	17.40	17¼	17.30	17.25
Bk Montreal	55½	54.20	54.40	54.65
Bk Nova Scotia	63.80	62	62.10	63
Barrick Gold	32.95	32.65	32¼	32.40
BCE	40.05	39.30	39.45	39.85
BC Telecomm	34.10	33⅞	34.05	34
Biochem Pharm	39.30	38.40	39	38.45
Bombardier B	28.70	28	28.30	28.05
Cameco	49.85	49.40	49.60	49.70
CIBC	37.40	36.55	36.80	37.05
Cdn Natl Rail	69.90	69.60	69.90	69.85
Cdn Nat Res	36.70	35.90	36.10	36½
Cdn Occid Pet	36	35.40	35⅛	35.80
Cdn Pacific	41⅛	41.15	41½	41½
Cominco	38.20	37.65	37.70	38⅛
Dofasco	29.20	28⅞	28.85	29.20
Domtar	11⅛	11⅛	11⅛	11.65
Donohue A	31.40	30⅛	30.85	31½
Du Pont Cda A	33	32⅛	33	32.80
EdperBrascan	23.80	23.60	23.70	23.65
EuroNev Mng	22.80	21.80	22	22.20
Fairfax Finl	389	386	386	390
Falconbridge	26⅞	26.40	26.65	26.65
Fletcher Chall A	23½	23½	23½	23½
Franco Nevada	34	33.30	33.40	33.70
Gulf Cda Res	11.05	10.95	11.05	11.10
Imperial Oil	77	76.45	76.85	76.85
Inco	40½	39.90	40	40.55
IPL Energy	50.10	49.70	49.70	50
Laidlaw	20½	20.15	20.40	20.35
Loewen Group	45	44.70	44.80	44.80
Macmill Bld	17.90	17.70	17.70	17.95
Magna Intl A	93	92	92.35	92.90
Methanex	12.05	11.90	11.95	12
Moore	28⅞	28	28.15	28.10
Newbridge Net	64.60	63.80	64⅛	64
Noranda Inc	28.10	27.80	28	28.10
Norcen Energy	34.95	34.70	34.80	34.85
Nthern Telecom	143	141	141½	142.35
Nova	11⅛	11.55	11.65	11⅛
Onex	31.95	31⅛	31.95	31.95
Pancdn Petlm	26.20	26	26.05	26
Petro Cda	25⅛	25.05	25.10	25.30
Placer Dome	24½	24	24.05	24.15
Poco Petlm	13.95	13⅛	13.80	13.80
Potash Sask	102.95	102	102½	103
Renaissance	35½	35	35⅛	35.20
Rio Algom	32½	32	32	32½
Rogers Cantel B	27½	27½	27½	27½
Seagram Co	51½	49⅞	50.35	51⅛
Shell Cda A	21⅛	21½	21⅛	22.30
Suncor	45.60	45	45.40	45.65
Talisman Eny	45.40	45	45.30	45.70
Teck B	27.10	26.90	27.05	26.90
Teleglobe	47.20	46½	46.80	47.80
Telus	27.70	27½	27.65	27⅛
Thomson	33	32⅛	32.30	32.70
TorDom Bank	43	41.80	42.40	41.90
Transalta	17.55	17.40	17.55	17½
TransCda Pipe	26.30	26.10	26.20	26½
Trimark Finl	65½	64	64⅛	64⅛
Trizec Hahn	31⅛	31.55	31.55	31.80
TVX Gold	7.70	7.40	7.45	7.55
Westcoast Eny	26.40	26.10	26.20	26.20
Weston	94	93	94	93

Vienna
ATX index: 1331.29 Previous: 1346.69

	High	Low	Close	Prev.
Boehler-Uddeh	999	966.10	979	997
Creditanst Pfd	618	595.60	610	604
EA-Generali	3029	2970	3000	3010
EVN	1538	1486	1513	1516
Flughafen Wien	530	491.10	530	499
OMV	1750	1637.55	1668.90	1701
Oest Elektriz	860	856.50	857.70	858.10
VA Stahl	560	530.65	543.10	549.10
VA Tech	2378.55	2270	2280	2340
Wienerberg Bau	2480	2435.1	2455	2460

Wellington
NZSE-40 index: 2498.56 Previous: 2488.11

	High	Low	Close	Prev.
Air N Zeald B	4.42	4.40	4.42	4.45
Brierly Invt	1.38	1.36	1.36	1.37
Carter Holt ord	3.40	3.37	3.39	3.36
Fletch Ch Bldg	4.36	4.34	4.35	4.34
Fletch Ch Eny	5.73	5.65	5.66	5.72
Fletch Ch Forst	1.87	1.85	1.85	1.88
Fletch Ch Paper	3.36	3.32	3.33	3.35
Lion Nathan	4.04	4	4.04	4
Telecom NZ	7.72	7.67	7.68	7.64
Wilson Horton	11.80	11.80	11.80	11.90

Zurich
SPI index: 3467.70 Previous: 3531.35

	High	Low	Close	Prev.
ABB B	2350	2281	2301	2342
Adecco B	543	531	531	540
Alusuisse R	1338	1297	1297	1351
Ares-Serono B	2360	2290	2330	2380
Atel R	860	845	845	860
Baer Hdg B	2250	2200	2210	2235
Baloise Hdg R	4039	3955	3980	4035
BK Vision	1085	1032	1045	1085
Ciba Spec Chem	133.75	129.25	131	133
Clariant R	1045	1011	1012	1042
Crd Suisse Gp R	180.75	172.25	174	179.25
Elektrowatt B	538	536	538	538
Ems-Chemie	6870	6725	6820	6790
ESEC Hdg	4600	4350	4390	4475
Holderbank B	1293	1262	1273	1295
Liechtenst LB B	585	579	579	582
Nestle R	1836	1790	1800	1829
Novartis R	2230	2141	2163	2210
Oerlikn Buehr R	177.25	169.25	176.75	173.50
Pargesa Hld B	1800	1750	1785	1800
PharmVisn B	920	884	895	913
Richemont A	2050	2030	2045	2140
Pirelli PC	330	321	327	332
Roche Hdg PC	13530	13180	13190	13500
SBC R	388.50	370.50	376	387
Schindler PC	1900	1870	1870	1905
SGS B	2988	2860	2851	2940
SMH B	904	872	873	896
Sulzer R	1119	1075	1085	1120
Swiss Reins R	2007	1962	1976	2000
SAir Group R	1904	1835	1839	1894
UBS B	1512	1477	1485	1500
Winterthur R	1321	1235	1270	1308
Zurich Assur R	583	554	568	579

The Trib Index

Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	172.89	-0.09	-0.05	+15.92
Regional Indexes				
Asia/Pacific	126.98	+0.91	+0.72	+2.88
Europe	179.81	-2.36	-1.30	+11.54
N. America	203.39	-1.88	-0.92	+25.62
S. America	166.34	+3.05	+1.87	+45.36
Industrial Indexes				
Capital goods	221.69	-2.27	-1.01	+29.70
Consumer goods	188.19	+0.16	+0.09	+16.58
Energy	195.87	-1.56	-0.79	+14.74
Finance	131.19	+0.11	+0.08	+12.65
Miscellaneous	183.24	-0.09	-0.05	+13.26
Raw Materials	185.32	-0.16	-0.09	+5.67
Service	163.27	+0.23	+0.14	+18.90
Utilities	162.75	+1.37	+0.85	+13.45

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

Tuesday's 4 P.M.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NASDAQ

NYSE

Tuesday's 4 P.M. Close
(Continued)

هكذا من الاصل

ASIA/PACIFIC

South Korean Won Hits New Low Amid Fears Over Bad Debt

Compiled by Our Staff From Dispatches

SEOUL — The South Korean won tumbled to a record low Tuesday as mounting bad loans and turmoil in Asian currency markets prompted banks and companies to buy dollars to ensure they can repay foreign debt.

The dollar climbed to a high of 909.80 won before the central bank bought won to bolster the currency and the dollar eased to 904.55 won.

The decline raises concern that South Korea will follow such other Asian countries as Thailand and Indonesia in allowing its currency to devalue because of a slowing economy and a current-account deficit. Foreign banks have said they are reluctant to lend money to South Korean borrowers, especially banks that have more bad loans than shareholder equity — making them technically insolvent.

"We cannot rule out the possibility that the won has become a new victim," said Takashi Isoai of Yamaichi Research Institute in Tokyo, citing South Korea's persistent current-account deficit and weak economic fundamentals. "There is a possibility that speculators are targeting the won amid the currency woes in Asia and continuing financial crisis in South Korea."

Yukong Ltd., Korea's biggest oil refinery, for example, must reckon with an additional 1.2 billion won ($1.3 million) in unrealized foreign-exchange losses each time the dollar gains by 1 won, a company finance executive said. Yukong has $1.2 billion in long-term foreign debt.

Korea First Bank, which has seen several of its biggest customers go bankrupt, has about 7.2 trillion won of bad loans on its books on which no interest has been paid for three months.

The bank has 1.5 trillion won in shareholder equity.

Until the Korean economy is vibrant enough to attract foreign capital, the won is likely to weaken as investors and companies hedge their currency risk and shun won-denominated assets.

"The main concern is the state of the economy," said Stephen Taran, head of credit research at Lehman Brothers in Hong Kong. "If push came to shove, they'd see the currency fall a little further."

The won's fall came as banks and companies — which have more than $106 billion in outstanding overseas debt — scrambled to buy foreign currency to meet debt and trade payments.

"When the Bank of Korea did not intervene at 905 won, there was no stopping the greenback until the BOK started to dump dollars at 908 won," a dealer at a foreign bank said.

Another dealer at a domestic bank said, "The interventions took the market completely by surprise, and in fact, many dealers feel betrayed by the Bank of Korea since it did not give any indication of its policy direction."

Korean stocks also declined, with the composite index in Seoul falling 7.73 points to 734.03, as the drop in the won inflated corporate borrowing costs.

Despite the won's plunge, South Korean dealers ruled out the possibility of seeing an attack on the currency along the lines of that on the beleaguered Thai baht.

"The won's depreciation is not a recent phenomenon," said Oh Suk Tae of Citibank in Seoul, adding that speculative trading was limited because of restrictions on foreigners seeking to buy the won.

(Bloomberg, Bridge News, AFP)

Sharaq Gazzar/The Associated Press

Pavement dwellers in Bombay; during the property boom, gangsters rousted denizens of the city.

Bullets Over Bombay: Realty Bites

The Associated Press

BOMBAY — It is a rough-and-tumble game: Bodyguards on alert. Police escorts for some. Guns kept at the ready.

But one can never be too careful when it comes to the Wild West world that is the real estate market of Bombay.

"We've told our members: Keep guns ready. Before they shoot, you shoot," said Kumar Venkata Satyamurty, the leader of a property developers trade group.

The bright lights of Bombay — its glamorous film industry, its booming economy — have been a magnet for builders and for mobsters looking for a piece of the profits.

Since April, five builders have been shot dead in India's financial capital.

The police, pointing to gangsters, say that the bloodshed is the result of a developer-mob understanding that has gone bad.

In 1995, Bombay's real estate market exploded because of free-market reforms introduced by the government.

The price of prime office space made this city the most expensive in the world, a survey by Colliers International Property Consultants showed: That year, a square foot (0.3 of a square meter) sold for $970 — slightly more than the rate in Tokyo and four times that of Manhattan. No corporate leader wanted to be without an office in upscale South Bombay. But property was scarce.

Owners and developers hoped to cash in on the boom by selling property or tearing buildings down to make way for gleaming office towers. Some of them, however, first had to get rid of unwanted tenants. They turned to mob thugs.

But soon the market began to soften. At the start of 1997, a square foot of Bombay office space was going for $675.

Today, a room with a view of the Arabian Sea can be had for around $570 a square foot in one of the office towers that house leading software, pharmaceutical, engineering or manufacturing companies.

Prices may have slid, but Indian mobsters stuck around. No longer needed to strong-arm unwanted tenants, they turned to extortion — demanding protection money.

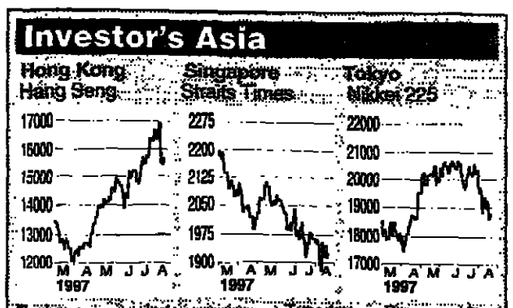
Those who fail to pay up receive threatening calls or are killed.

Mr. Satyamurty, founder of the 10,000-member Federation of Accommodation Industries of India, says that mobsters have become too expensive.

"Even those builders who did pay the underworld cannot any more," he said.

"But the gangs don't care if the industry is doing well or not."

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	15,547.22	15,598.88	-0.33
Singapore	Straits Times	1,925.28	1,913.55	+0.61
Sydney	All Ordinaries	2,626.98	2,637.10	-0.41
Tokyo	Nikkei 225	18,814.96	18,968.17	-0.85
Kuala Lumpur	Composite	956.00	985.98	-3.16
Bangkok	SET	525.49	529.61	-0.78
Seoul	Composite Index	734.03	741.76	-1.04
Taipei	Stock Market Index	10,116.04	10,011.47	+1.05
Manila	PSE	2,380.62	2,364.05	+0.87
Jakarta	Composite Index	554.24	542.65	+2.14
Wellington	NZSE-40	2,489.56	2,489.11	+0.02
Bombay	Sensitive Index	4,107.24	4,047.57	+1.47

Source: Telekurs — International Herald Tribune

Very briefly:

• **The Bank of Japan** said the recovery trend in personal spending did not seem to have been hindered by the April increase in the consumption tax, which was offset by steady, although slow, improvements in labor conditions and income.

• ***DDI* Corp.** and **Nippon Idou Tsushin Corp.** have formed a marketing and research alliance with **Shinsegi Telecomm Inc.**, a South Korean cellular-phone operator, as the Japanese companies seek a bigger share of Asia's swiftly expanding cellular-phone market.

• **China** will not open its telecommunications sector to foreigners in the near future, said Wu Jichuan, minister of posts and telecommunications.

• **Sichuan Changhong Electronics Group Corp.**, China's top television maker, said net profit rose 68 percent in the first half, to 930.6 million yuan ($111.9 million), despite a price war.

• **China Tin Group Co.**, the country's second-largest tin producer, is hoping to increase production to 20,000 tons by 2000 from 15,000 tons in 1997 after conducting an expansion project at its Laibin smelter.

• **Asian Development Bank** lending to **China** will fall to about $700 million this year from about $1 billion last year as a number of projects are still being prepared for approval.

• **Australian National Industries Ltd.**, a metals and engineering group, posted a profit of 14.43 million Australian dollars ($10.8 million) in the second half, compared with a loss of 218.4 million dollars in the year-earlier period, as earnings in most of its divisions increased.

• **Independent Newspapers Ltd.** will pay 308.9 million New Zealand dollars ($199.7 million) to buy a 48 percent stake in **Sky Network Television Ltd.**, the nation's largest pay-television operator.

Bridge News, AFX, Bloomberg

Bears Maul a Malaysian Bank's Initial Public Offering

Bloomberg News

KUALA LUMPUR — Malaysia's second-largest merchant bank and best-known stock underwriter, RHB Sakura Merchant Bankers Bhd., could not have picked a worse time to come to market.

The country's main stock market has lost more than a quarter of its value this year, falling Tuesday to a 31-month low. Meanwhile, higher interest rates are stalling this once turbocharged economy.

While that makes it an inopportune time for any company to sell stock to the public for the first time, it is particularly bad for a company that is in the business of helping other companies to do so.

"Nobody's hot about banks; merchant banks are worse," said Cher Hung Jin, a funds manager at Daiwa International Capital Management.

Not surprisingly, RHB Sakura shares fell below the price set for their trading debut and closed Tuesday at 3.62 ringgit ($1.30), 11.7 percent lower than the offering price of 4.10 ringgit. At one point they had fallen as low as 3.60 ringgit.

The dismal showing by the company, which is run by Abdul Rashid Hussain, a prominent businessman with influential contacts, reflects the country's weakened underwriting and corporate-finance business.

About 94 companies went public last year as the market boomed. Recent offerings in the year's crop of 59 initial public offerings have been more coolly received.

RHB Sakura joins a growing list of Malaysian IPOs, especially bigger-capitalized stocks, that investors are spurning. By contrast, many offerings scored stupendous premiums last year.

"I don't think they expected it to be so bad," said Angie Ang, an analyst at Caspian Research. "The offer price didn't look excessive three to four months ago. Now it's expensive."

Utama Banking Bhd., a banking group, and Padiberas Nasional Bhd., the manager of the nation's rice stockpile, are some of the other recent IPOs that have delivered weak premiums. Investors have particularly been shying away from financial stocks.

Miss Ang did not see IPOs for the large capitalized stocks garnering large premiums anytime soon.

RHB Sakura was the adviser and main underwriter for a string of high-profile offerings, including Petronas Dagangan Bhd., YTL Power International Bhd. and Puncak Niaga Holdings Bhd.

Maybank Proposes Bonus Share as Profit Rises

Bloomberg News

KUALA LUMPUR — Malayan Banking Bhd., Malaysia's largest bank, said profit before a gain rose 23 percent in the year ended June 30, and it proposed a 1-for-1 bonus share issue.

The 23 percent rise "is slightly below my numbers," said Angie Ang, analyst at Caspian Research (Malaysia) Sdn. But, he added, "the variation is acceptable."

Maybank, as it is known, had profit of 1.32 billion ringgit ($475.6 million), up from 1.08 billion ringgit the previous year.

The results exclude a one-time gain of 1.66 billion ringgit from the sale of Maybank's 75 percent stake in Kwong Yik Bank Bhd. to Rashid Hussain Bhd.

Net interest income, a barometer of the health of the bank's lending business, increased 20 percent, to 3.2 billion ringgit. Net income, which includes other income, such as fees and commissions, rose 16 percent, to 3.6 billion ringgit.

Maybank said it expected loan growth to slow to between 15 percent and 18 percent this year, down from 24.5 percent from the year just ended.

Maybank's stock has lost 24 percent since July 1 amid concern that the slowing economy will cool demand for loans, crimping profit growth.

Investors have pushed shares of Malaysian banks lower in recent days after Standard & Poor's Corp. warned that the slump in the value of the ringgit could trigger an increase in bad debts.

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R.C. No B 9497

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity World Fund (the "Fund") will be held at the registered office of the Fund in Luxembourg on September 5, 1997 at 11.00 a.m. to consider the following agenda:

1. To hear the report of the liquidator.
2. To appoint an auditor to the liquidation.

If you are unable to attend the above Extraordinary General Meeting, you are urged to execute and return a proxy to the registered office of the Fund prior to the date of the Meeting. Proxies can be obtained from the registered office of the Fund.

Fidelity Investments

We made 10 promises to ourselves before developing this camera.

❶ Combine the best from East and West. It began by introducing Carl Zeiss' proud German artisan culture to Kyocera's high tech Japanese laboratories. ❷ Design it for a discerning market. While inexpensive SLR cameras dominate the market, the RTS II was made for those who appreciate immaculate quality. ❸ Spare no expense. Matching the precision optics of Carl Zeiss lenses and meeting our own high standards was a costly endeavor. But excellence has a price. ❹ Provide a platform for unparalleled optics. Some believe that Zeiss optics are so advanced, no cam can do justice to its top lenses. In the RTS III, Kyocera decided to create a camera body that could prove it.

❺ Achieve the ultimate in film flatness. A Real Time Vacuum mechanism was developed to draw the film and retain flat against an ultra fine, rigid ceramic pressure plate. ❻ No autofocus. To use the complex Carl Zeiss T* lens, the RTS III would have to employ an extremely precise manual-focus system. ❼ Design a viewfinder for professionals. Professionals require an exceptionally bright viewfinder. That in turn prompted us to develop a larger, high-performance optical pentaprism. ❽ Aspire to create the most rigid body and lens mount ever produced. A camera strong enough to hold Zeiss' complex lenses, yet light enough to handle, required improved body rigidity and a stronger mount.

❾ Name it Contax. To the world, Contax is a symbol of precision and excellence. Since the RTS III is from a Kyocera product, we felt it must bear the Contax name. ❿ Satisfy the purists. With the RTS III, we would please the purists and professionals who were expecting nothing less than a "Stradivarius" among cameras.

At Kyocera, we believe that every new product should be full of promise. It should be designed to be vigilant stronger in quality, and to satisfy present and future market needs. Our credo: Do not what others do as we can never do. If we can stretch the boundaries of the imagination far enough, our products will help define the future.

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Preserve the legendary Carl Zeiss name.
At Kyocera, we decided long ago that the world should always have a camera that brings the potential of Zeiss optics to life.
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KYOCERA

Li Peng Says Asians Must 'Ward Off' Speculators

Compiled by Our Staff From Dispatches

SINGAPORE — China and its Southeast Asian neighbors need to strengthen coordination and cooperation to "ward off international financial speculation," Prime Minister Li Peng said Tuesday as he concluded a three-day visit here.

The economic strength of China and members of the Association of South East Asian Nations, Mr. Li told Singapore executives, is "relatively weak, and the financial system not adequate."

Mr. Li said the currency turbulence in the region had been caused by speculators and too much money going into unproductive investments, such as property. "We should seriously draw lessons from previous financial crises in the world, keep a high vigilance, strengthen financial regulation, improve the financial system so as to forestall and reduce financial risks to the minimum and ensure a sound growth of the economy," he said.

"The cooperation between China and ASEAN nations should be oriented toward the 21st century," he said, noting extensive common interests between China and the region.

In addition to existing ties in areas such as trade, science and technology, finance and information, China and ASEAN can cooperate in infrastructure, technological transfer, poverty alleviation and environmental protection, Mr. Li said.

Total trade between China and ASEAN last year was $20.4 billion. ASEAN comprises Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

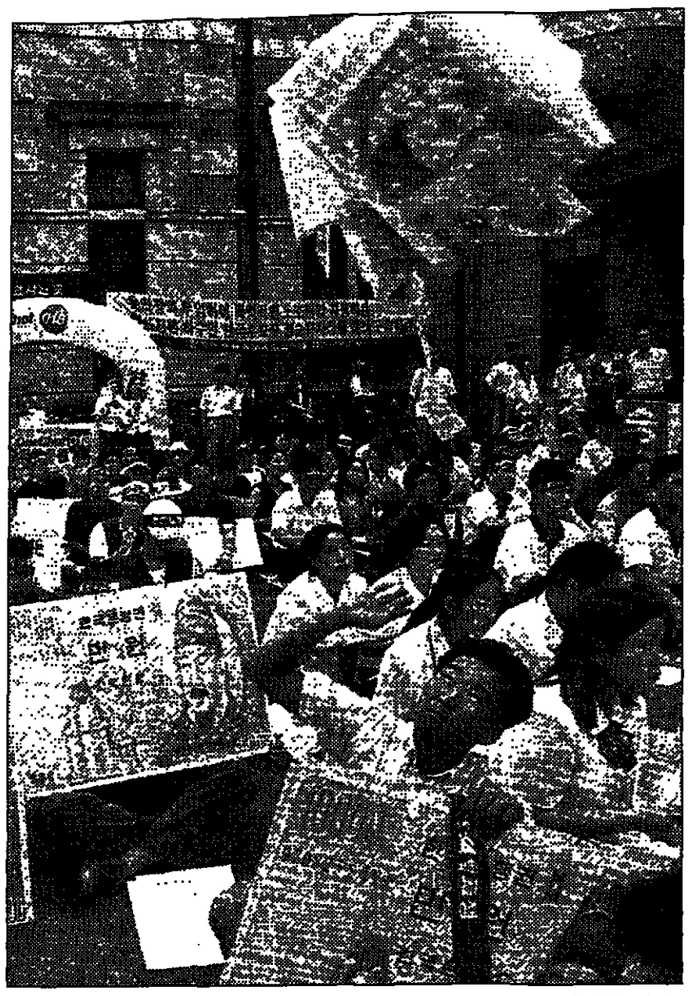
Mr. Li attributed a drop in foreign investment in China this year in part to new import duties, but he said Beijing was using such measures to "guide" rather than "discourage" investors.

Although investment fell by $23.5 billion in the first half from the first half of 1996, Mr. Li said that the foreign capital that had come in went to more productive industries.

"We still give exceptional waivers for high-tech projects, projects we need and projects that are globally competitive," Mr. Li said.

He said that Beijing was focusing development and investment planning on the 120 large state- or collective-owned conglomerates that account for 50 percent to 60 percent of all business assets and 60 percent of revenue. China has 80,000 state- and collective-owned enterprises, he said.

(AP, Bridge News)



Yun Suk Bong/Reuters

HIGH-FLYING CURRENCY — Workers tossing enlarged bills during a Seoul rally Tuesday to protest a court ruling limiting retirement benefits.

Nomura Banks on Clout to Revive

Clients Who Shunned It After Scandal Are Creeping Back

Bloomberg News

TOKYO — Japanese companies are finding Nomura Securities Co. hard to stay away from.

Since March more than a dozen major companies — including Sony Corp. and Nippon Telephone & Telegraph Corp., the world's largest phone company — have proclaimed they would not do business with Japan's largest brokerage after it admitted that two executives had paid $3.1 million to a racketeer.

Among the others were the utilities Kansai Electric Power Co. and Tokyo Electric Power Co., which said it was their responsibility as "public-interest" companies to bar Nomura from selling their new bond issues. Their announcements were a blow to Nomura's bottom line since utilities account for 40 percent of Japan's $230 billion market for corporate bonds.

But some of those companies are quietly returning. They are afraid they will have trouble selling their bonds without the brokerage, which boasts the longest customer list and largest sales force in the Japanese bond industry. On Tuesday, Tokyo Electric, Japan's largest issuer of bonds, used Nomura as part of a group of underwriters to sell 4 percent of $424 million worth of bonds.

"In the end they have no choice but to acknowledge the placing power of Nomura," said Hayato Kato, general manager of research at the Bond Underwriters Association.

"Nomura has the best connections and the best sales power, and these are what companies need to find buyers for their bonds."

Kansai Electric was the first to break the boycott. The utility, Japan's second-largest, barred Nomura from a $500 million bond issue in April. In late June it invited Nomura back, asking it to help sell $250 million worth of bonds.

While Nomura did not lead the group of 46 brokerage and banks underwriting the issue — that honor went to Yamaichi Securities Co. — Kansai Electric gave Nomura the fourth-largest portion of bonds to sell, $28 million worth.

More utilities say they will soon follow Kansai Electric's lead. Kyushu Electric Power Co. and Chugoku Electric Power Co. say they are considering letting Nomura participate in their next bond issue.

East Japan Railway Co., one of Japan's largest railroads, and Ajinomoto Co., the world's largest maker of the food additive monosodium glutamate, have also said they will resume dealing with Nomura soon.

It is important for Nomura to get back into the market soon because this year is likely to be the biggest ever for sales of new corporate bonds as companies rush to take advantage of record-low interest rates.

The Kansai Electric bonds that Nomura sold, for instance, carried an annual interest rate of 1.75 percent over four years.

The return of these customers should bring some respite to Nomura, whose sales have plummeted since customers started shunning it in March, when it admitted that it might have broken the law.

But it will remain a difficult year. Underwriting of all bonds accounted for almost a fifth of the brokerage's $3.9 billion in sales last year. So sales are sure to slip this year, especially since Tokyo barred Nomura from selling new government bonds until the end of the year. That is an even bigger business for Nomura than corporate bonds.

Nomura has been lead underwriter for just two corporate issues since the scandal broke in March — a mere 1.4 percent of all new issues, compared with its commanding lead of 20 percent before the scandal.

■ NEC Links Up With Microsoft

NEC Corp. and the U.S. software giant Microsoft Corp. said Tuesday that they had agreed to cooperate to develop computer network servers, the Associated Press reported.

The agreement will ensure tighter integration of the Japanese computer maker's leading mainframe and server technology with Microsoft's BackOffice family platform, the two companies said.

Under terms of the accord, Microsoft will support NEC's development of a new product called Express Server for Enterprise, which will be based on the Microsoft Windows NT Server.

The two said they would also collaborate on developing hardware and software for a product called Express Network Server, which will enhance the use of the Internet and intranets for smaller businesses.

Sony to Increase Video Game Output by a Third for Christmas

Bloomberg News

TOKYO — Sony Corp. said Tuesday that it was increasing output of its popular PlayStation to make sure there are plenty of the home video game systems in stores by Christmas.

The company said it would raise monthly production of the game players by 33 percent to 2 million units between October and the end of the year.

That could help PlayStation kick Nintendo from its long-held spot as the biggest player in the $15 billion global market for video games. Nintendo expects to ship 12 million Nintendo64 consoles in the year ending March 31, a third less than Sony.

"We're beyond the stratosphere and headed towards the moon," said Reinier Dobbelmann, electronics industry analyst at SBC Warburg Japan Ltd.

Mr. Dobbelmann projected that 14 million PlayStation units would sell this year — better than Nintendo but still about 4 million below Sony's target.

Sony said Tuesday that it had shipped 20 million units since it unveiled the PlayStation three years ago. That is far ahead of Nintendo's latest player, which debuted a year ago.

"PlayStation is the undisputed leader in the next-generation console category and is widening its gap over the competition," said Kaz Harai, chief operating officer of Sony Computer Entertainment Inc.'s American unit.

Kyoto-based Nintendo is going on the offensive. It plans to spend $100 million on American ads this autumn for its game console software. It also has promotional tie-ins planned with PepsiCo Inc.'s Taco Bell and Metro-Goldwyn-Mayer Inc.'s latest James Bond film, "Tomorrow Never Dies."

Nintendo's 64-megabit software cartridges are packed with microchips designed to power the three-dimensional, quick-response fighting and racing games favored by children.

Sony, on the other hand, uses a disk format for 32-megabit PlayStation software. The disks store lots of information, providing rich detail and cinematic color, which works best in static role-playing games preferred by adults.

Nintendo will likely win a larger share of the adult market, however, as programmers take advantage of the greater power and flexibility offered by its more powerful machine to create games geared toward older customers, said Hironobu Sawake, analyst at Nikko Research Center.

One reason for Sony's quick rise to a commanding lead over Nintendo is software. More than 900 titles can be bought for the PlayStation in Japan, more than 10 times the number available for Nintendo64.

Analysts warned that the PlayStation might already have reached its zenith as the popularity of Nintendo's more powerful machine spreads.

"The PlayStation's growth rate is maturing even as shipments of the Nintendo64 have begun to accelerate," said Mr. Sawake, who expects the tables will be turned by this time next year.

As Nintendo and Sony slug it out, the big loser is Sega Enterprises Ltd. Once a formidable contender in the home video game market, Sega has suffered from sagging sales of its 16-bit game machines.

Nintendo shares were unchanged at 10,600 yen ($89.64), Sega slipped 30 yen to 3,490 and Sony rose 400 yen to 11,100.

■ TDK's Net Profit Rises 35%

TDK Corp., the world's largest audio- and videotape maker, said Tuesday that first-quarter profit rose 35 percent from a year ago, and analysts predicted that the company would continue to do well, Bridge News reported from Tokyo.

TDK posted group net profit of 13.29 billion yen as group sales rose 9.2 percent.

POWER: *Global-Warming Worry Fuels Growth of Solar Energy*

Continued from Page 13

Solarex, based in Frederick, Maryland, is a unit of Amoco/Enron Solar, a joint venture of the Amoco Corp. and Enron Corp., a natural gas and electricity trading and marketing company.

Recently, at a United Nations meeting focusing on climate change, President Bill Clinton announced plans to place a million solar energy systems on roofs in the United States by 2010.

"Generally speaking, I think the solar industry has a very positive future," said Energy Secretary Federico Pena, whose department is overseeing the initiative.

Solar power for the most part is more costly to produce than electric power from generating plants fired by oil, coal or natural gas. But in remote areas where the only other possible source of electricity is diesel-powered generators, solar is competitive, according to Mr. Forest of Solarex.

Solarex is the No. 2 player in the worldwide market for solar power. Siemens Solar Industries is No. 1. Kyocera Corp. of Japan is No. 3, followed by British Petroleum.

Solar industry executives say they hope that, as the market for solar power grows, economies of scale and technological innovation will drive prices down.

"We are very small," Mr. Forest said. "We're also patient. It takes a long time to develop an energy source. We've only been in business for 25 years, although the technology has been around for longer than that."

Scott Sklar, executive director of the Solar Energy Industries Association, said that the global movements toward democratization and privatization were driving the industry, as well as concerns about the environment.

As governments become democratic, "they want to serve the total population," he said, and as utility companies are privatized, they look for new ways to compete.

"We've grown tenfold in 10 years," he said. "Last year, I cut ribbons at four new U.S. manufacturing plants. This year, it will be six to eight."

Mr. Sklar said there were parallels between the market for solar power and the market for cellular telephones, which use solar power to drive their networks in remote areas. In the 1970s, the big phone companies did not believe cellular telephones, which are more costly in the United States than the traditional wired phone, would find a niche. Cellular phone service is now 12 percent of the market, Mr. Sklar noted.

■ Thermalloy Rebuffed on Patent

Aavid Thermal Technologies won a patent fight over technology used to keep computer chips cool when a U.S. appeals court threw out a lawsuit filed by Bowthorpe PLC's Thermalloy Inc., Bloomberg News reported from Washington. The U.S. Court of Appeals for the Federal Circuit upheld a lower-court ruling that last year declared a Thermalloy patent invalid. Thermalloy had sought to halt sales of Aavid products that generated $13.7 million in sales last year, about 13 percent of Aavid's total business.

The dispute involves "heat sinks," used to conduct heat away from sensitive electronic components and dissipate it into the surrounding air. Thermalloy has a patent that covers a method of manufacturing heat sinks by gang sawing a set of grooves to form the pins of the device. A three-judge panel of the appeals court unanimously said the patent was invalid because Thermalloy improperly tried to broaden the scope of the patent after it filed the lawsuit.

RUBY: *Body Shop Ads Use Doll*

Continued from Page 13

Jones.

"Our approach to advertising has been sort of experimental," Ms. Galanti said. "This is a trial for taking alternative imagery into the mainstream media. There are a lot of interesting possibilities there, even for companies oriented toward unorthodox methods of communication."

If that evokes the strategy pursued by Benetton Group SpA, the Italian apparel retailer notorious for campaigns that advocate stands on contentious social issues, well, Ms. Galanti spent four and a half years overseeing international communications and media for Benetton.

"I don't have a problem with advertising as a tool for activism," she said.

"The more interesting way to use advertising is to make brand statements, saying more about our brand than our product."

Body Shop International initially thrived in America with proclamations by its founder, Anita Roddick, on such contentious issues as animal rights and ecology. The Ruby doll campaign, though issue-oriented, is more narrowly focused on a topic more relevant to a seller of ointments, lotions and potions.

"It's not a question of what we're trying to tell people, but of what we're not trying to tell people," Ms. Galanti said. "We're saying our products will moisturize, cleanse and polish; they will not perform miracles."

In Britain, Simon Green, creative partner at the BDDH agency in London, praised the campaign last month in a critique for the newspaper, The Independent, as "incredibly powerful" because "it shows enormous empathy for women."

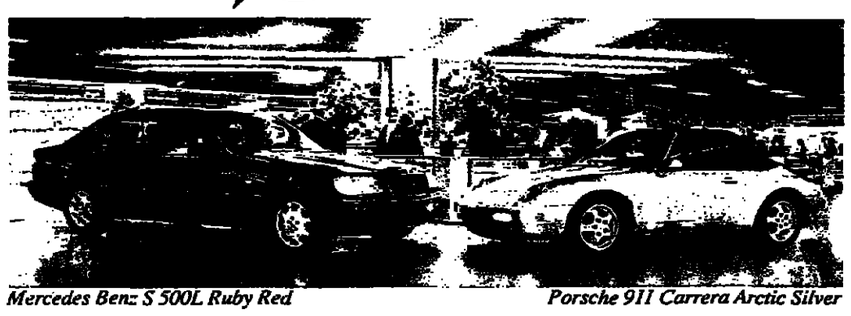
In addition to the Ruby print ad and posters, there will be what Ms. Galanti called "Ruby approval stickers" in stores, which consumers can affix "on images of men and women they agree with."

Ruby is an element of a three-part campaign with self-esteem motifs from Body Shop International. After the focus in September on body image, Ms. Galanti said, October will be devoted to "self-esteem and activism," in the form of a promotion to sell whistles that symbolize what a coming print ad calls "the urgent need to stop violence against women."

In November, Ms. Galanti said, the focus will be "self-esteem and aging — wrinkles."

DUBAI DUTY FREE

drives the WORLD



Mercedes Benz S 500L Ruby Red *Porsche 911 Carrera Arctic Silver*

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SHEIKH FAISAL ABDULLA AL MUALLA (Series #676 - Ticket # 0953), UAE National living in Umm Al Quwain, winner of a Mercedes Benz S 500L.	VINCENT CHAMOUN (Series # 677 - Ticket # 0249), French living in Dubai, winner of a Porsche 911 Carrera 2 Cabriolet.	GUIRGUIS MAURICE ZAKI (Series #678 - Ticket # 0782), American living in Dubai, winner of a BMW 750 iAL.	NIGEL CASTELINO (Series #679 - Ticket # 0866), Indian living in Dubai, winner of a Mercedes Benz SL500.

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- The payments shall be performed in the form of irrevocable, confirmed L/C established by European First Class Banks.
- The text of the Contract shall be in Turkish and that Turkish form shall be signed.
- The team for tendering expires on September 5, 1997 at 6:00 p.m.
- For detailed information, please see TENDER SPECIFICATION.

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August 26, 1997

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International Herald Tribune
SPORTS
R
WEDNESDAY, AUGUST 27, 1997

WORLD ROUNDUP

Reuters

Boby Brno's Kolomaznik, right outleaping Schoettel of Rapid.

Zurich Advances

SOCCER Grasshoppers of Zurich, which played in the Champions League last season, only just qualified for the first round of the less prestigious UEFA Cup Tuesday after a 2-0 loss at Brann Bergen. Brann's Stefan Paldan scored in the 41st and the 44th minute. The Norwegians launched a string of attacks in the second half but the Swiss, who had won the first match 3-0, clung on to win 3-2 on aggregate.

An own goal gave Hapoel Petah Tikva of Israel a 1-0 aggregate victory over Vejle of Denmark on Tuesday. In the 32d minute a shot rebounded off the crossbar, struck Kent Scholz, a Vejle defender and flew into the goal.

Rapid Vienna lost, 2-0, in the Czech Republic to Boby Brno but advanced, 6-3, in aggregate. In the Ukraine, Par Zetterberg and Enzo Scifo scored for Anderlecht of Belgium, which beat Poltava, 2-0 in the match and 4-0 overall. *(Reuters)*

Gold for Frederick

ATHLETICS Frankie Fredericks, the Namibian sprinter, made sure of his share of a jackpot worth more than $200,000 when he won the final 100-meter race of the Golden Four series in 9.99 seconds Tuesday in Berlin.

Fredericks also won the 100 meters at the three other events in the series — in Oslo, Zurich and Brussels. His clean sweep gave him a share of the jackpot of 20 one kilo (2.2 pound) gold bars with Gabriela Szabo of Romania, winner of all four women's 5,000 meters races and Hicham Guerrouj of Morocco who swept the four mile races. *(Reuters)*

Hawerchuk Retires

ICE HOCKEY Dale Hawerchuk, the veteran center who is 10th all-time in points in the NHL, announced his retirement Monday because of an arthritic left hip. Hawerchuck, 34, played for the Philadelphia Flyers last season.

• Neal Broten, a member of the gold medal-winning 1980 U.S. Olympic team, retired from the NHL. He played 992 games for the Minnesota North Stars and Dallas Stars. *(AP)*

Parish Quits at 43

BASKETBALL Robert Parish, 43, a center who won three NBA championships with the Boston Celtics and one, this summer, with the Chicago Bulls, retired Monday. Parish played a record 1,611 games over 21 seasons. *(AP)*

Ashe Stadium Opens With Song and Upsets

Ivanisevic and Courier Bow Out

By Robin Finn
New York Times Service

NEW YORK — The weather cooperated, even if the mayor of New York didn't. Right on schedule, and brimming with the ambition of becoming the most progressive and impressive of the tennis world's four Grand Slam events, the U.S. Open celebrated its first day with a combination of glitz and grit.

Whitney Houston, recruited for Monday night's gala dedication ceremony of Arthur Ashe Stadium, the crown jewel

U.S. OPEN TENNIS

of this $254 million rehabilitation of the previously decrepit National Tennis Center, hit the high notes.

Goran Ivanisevic and Jim Courier, both of them upset in the opening round on an otherwise balmy afternoon, were off key.

Monica Seles, seeded second, started her quest for a third U.S. Open title in a hurry: she took just 60 minutes to dispose of Kristi Boogert, 6-1, 6-2, under the spotlights of Ashe Stadium.

"It's one of those nights you maybe have 10 moments like this in your tennis career," Seles said of the opening of the new stadium.

Pete Sampras, the defending champion, was not thrilled to begin his campaign under the spotlights in a relatively strange stadium, but he made short work of Todd Larkham, an Australian qualifier, 6-3, 6-1, 6-3.

John McEnroe, a four-time U.S. Open champion, provided the sour note atop this former landfill site by disparaging Mayor Rudolph Giuliani's refusal to give the evening's keynote dedication speech. According to McEnroe, who appeared at the dedication ceremony with 38 other former champions, including Chris Evert, Ivan Lendl, Don Budge and Rod Laver, the mayor's absence was a "lame" example of "politics rearing its ugly head."

Lamer still was the performance turned in by Ivanisevic, the No. 4 seed, whose inability to translate his enormous talent into a title in a Grand Slam event continues to baffle him and to provide breakthroughs for otherwise underqualified opponents like Dinu Pescariu.

"No way I can lose to him if I play normal tennis," said Ivanisevic, whose 24 aces provided the only trace of normality in his game but were dwarfed by the 75 unforced errors that helped the somewhat stunned Pescariu carve out his 4-6, 7-5, 6-1, 7-6 (7-3) upset.

"It's very frustrating when you lose first round," said Ivanisevic, who also bottomed out early at the U.S. Open in 1994 and 1995. "I lost first round at the French Open, second round at Wimbledon, first round here: it's terrible. You know, 10 years on the tour, sometimes you lose the hungriness for the tennis."

Ivanisevic had tamed Pescariu in the opening round at Wimbledon, but his powers of concentration went haywire shortly after he won the opening set. Pescariu noticed that Ivanisevic had gone on vacation midway through the second set Monday in the shopworn Louis Armstrong Stadium, now this facility's second-string stage.

"I just tried to keep the ball in play; he did the rest, and he was missing almost every ball," said Pescariu, a Romanian ranked No. 91. "I don't think he's in such good shape right now."

Todd Martin, another opening-day upset artist, had been away from the circuit for six months recuperating from elbow surgery, and had six consecutive losses in his previous six matches with Courier. But Martin made a triumphant return to competition in Ashe Stadium.

After being overpowered by Courier in the first set, he applied steady pressure, in the form of a stiff serve-and-volley assault, he vanquished Courier 3-6, 6-3, 6-4, 6-2.

"I played much better than I thought I would, considering the situation," Martin said. "I'm not sure what my expectations were, but they were exceeded."

Martin came into 1997 ranked 12th in the world but played just eight matches before having surgery for a bone spur in his elbow. He said he went into the match with Courier, who was unseeded here for the first time since 1989, merely hoping to avoid embarrassing himself.

Instead, the 62d-ranked Martin rattled the 25th-ranked Courier with his consistency. And also with his joy at being back in the fray again after a six-month hiatus.

"I think today I might have won the match on eagerness," said Martin, who pounded 13 aces and broke Courier five times. "Jim really carried the play for a while, but when that initial surge of his waned, I took what came to me and made the most of it."

Monday's defeat marked Courier's third consecutive loss in the opening round of a Grand Slam event — his fourth-round finish at the Australian Open remains his sole Grand Slam highlight for 1997 — and was an indication that his hardcourt title earlier this summer in Los Angeles was a harbinger of nothing.

Lilia Osterloh, who turned professional this summer after capturing the National Collegiate Athletic Association title playing for Stanford University, ignored her ranking of 240th and ambushed 55th-ranked Barbara Rittner, 6-3, 1-6, 6-3.

• Steffi Graf, who participated in the parade of former champions on hand to dedicate the facility, vowed to return to tennis fit and healthy. "I'm gunning for the Australian Open," said Graf, who underwent knee surgery after the French Open. Graf said she would not even bother making a comeback if she did not think she could improve upon her 5-1 record against the woman who usurped her at No. 1, 16-year-old Martina Hingis.

• Chris Evert said she was puzzled why Jimmy Connors and Andre Agassi were absent at Monday night's ceremony when others like Don Budge, who was in a wheelchair, and Boris Becker, who flew in from Germany, made the effort to attend. She confirmed that the unseeded Agassi apparently had his feelings hurt when his name was left off from the introductions at the Champions dinner on Sunday night: "There was a mistake made; he was not mentioned."

But Evert felt Agassi should have attended the ceremony anyway. As for Connors, who apparently had a scheduling conflict, Evert said she was "disappointed" he was not in the lineup.

Carol Newsom / Agence France-Presse

Mary Pierce serving to Gigi Fernandez on Tuesday. Pierce won, 6-1, 6-2.

Kafelnikov Justifies His Open Seeding

The Associated Press

NEW YORK — Yevgeni Kafelnikov started the 1997 U.S. Open in New York on Tuesday, which made a change from 12 months earlier.

In 1996, he was ranked fourth in the world but the U.S. Open seeded him seventh, and he went home to Russia rather than play.

On Tuesday, he opened the second day of play at the new Arthur Ashe Stadium with a display of all the talents that earned him the No. 3 computer ranking and seeding this year.

Kafelnikov advanced to the second round with a 6-2, 6-4, 7-6 (7-4) victory over Cristiano Caratti of Italy.

Mary Pierce of France ripped past the American Gigi Fernandez, 6-1, 6-2.

Pierce, seeded No. 9, took just 54 minutes to beat the veteran doubles specialist on the Stadium 2 court.

Pierce pounded Fernandez, serving four aces, cracking 21 winners to seven for the American and inducing 27 errors from her overmatched opponent.

Martina Hingis, the women's top seed, dispatched Tami Jones, a pregnant American, 6-0, 6-1.

Iva Majoli of Croatia, the French Open champion, also breezed into the second round with a 6-3 6-2 victory over Catalina Cristea of Romania.

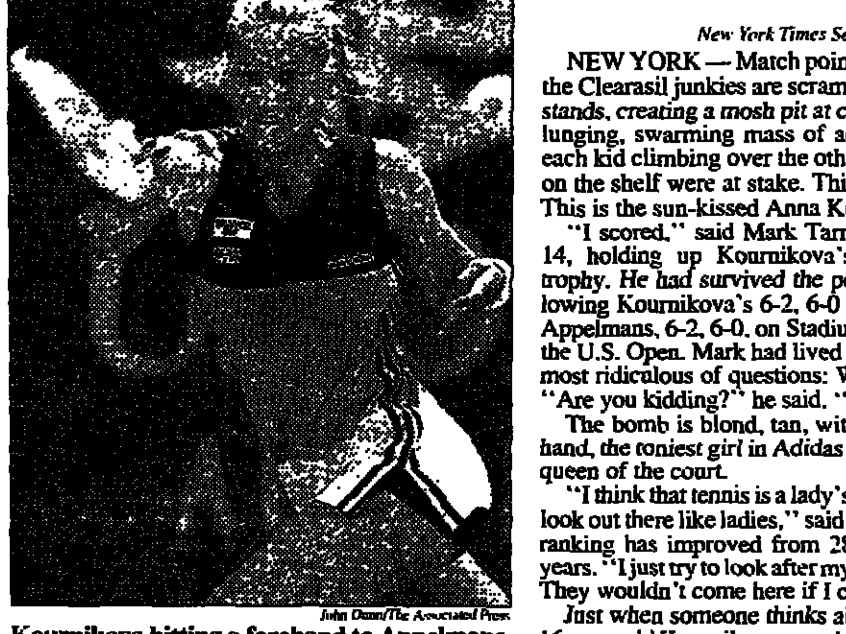
Jana Novotna, the third seed from the Czech Republic, beat Virginia Ruano-Pascual of Spain, 6-0, 6-4.

In other women's matches Tuesday: Mary Joe Fernandez, an American seeded No. 12, beat Naoko Kijimuta, of Japan, 6-2, 6-3 and Yayuk Basuki of Indonesia beat Noelle Van Lottum of France, 6-3 6-4.

Meilen Tu, the 1994 U.S. Open junior girls champion, beat fellow Californian Jolene Watanabe, 6-3, 7-5.

In the men's singles, Richard Krajicek of the Netherlands beat Wayne Black of Zimbabwe, 6-4, 6-2, 6-2; Magnus Larsson of Sweden beat Jan Siemerink of the Netherlands, 6-4, 6-2, 6-3; and Jeff Tarango of the United States beat David Prinosil of Germany, 6-4, 6-2, 7-5.

Alex Corretja, the No. 6 seed, subdued Marc Rosset of Switzerland, 4-6, 6-3, 6-2, 6-2, in their first-round match. Corretja was the first of five Spanish seeds scheduled to play Tuesday.


John Dunn/The Associated Press

Kournikova hitting a forehand to Appelmans.

America's Youth Learns to Love Russian Bomb

New York Times Service

NEW YORK — Match point is not cold yet, and the Clearasil junkies are scrambling forward in the stands, creating a mosh pit at courtside. They are a lunging, swarming mass of adolescent boyhood, each kid climbing over the other as if the last Sega on the shelf were at stake. This is better than that. This is the sun-kissed Anna Kournikova.

"I scored," said Mark Tarmeki, obviously age 14, holding up Kournikova's autograph like a trophy. He had survived the postmatch melee following Kournikova's 6-2, 6-0 victory over Sabine Appelmans, 6-2, 6-0, on Stadium Court Monday at the U.S. Open. Mark had lived only to be asked the most ridiculous of questions: What's the big deal? "Are you kidding?" he said. "She's the bomb."

The bomb is blond, tan, with a heck of a backhand, the toniest girl in Adidas stripes. The midriff queen of the court.

"I think that tennis is a lady's sport, so we should look out there like ladies," said Kournikova, whose ranking has improved from 281st to 25th in two years. "I just try to look after myself and really play. They wouldn't come here if I couldn't play."

Just when someone thinks about casting off the 16-year-old Kournikova as a player as thin on talent

Vantage Point / **SELENA ROBERTS**

as the pinups she graces, she rips a winner down the line. You may believe she is a marketing creation dreamed up to add sex appeal to the game, but she reached the Wimbledon semifinals this year.

A year ago Kournikova was considered more fluff than fury when she arrived in New York, but she beat Barbara Paulus on the Stadium Court as she reached the fourth round.

"That's where I made my first, biggest match," said Kournikova, who is Russian-born but distinctly American in style after spending much of her childhood in Florida. "This year, I had already played on Center Court at Wimbledon, and so I'm used to that kind of big court. I felt very comfortable."

The crazy attention that can be irritating. This is where her petulance shows. Any boy in the pack who thinks he has a chance at a prom date should know that the cool Kournikova — with Sergei Fedorov, an ice hockey star, often at her side — has been known to give groupies that fat-chance look as she slips on by.

Kournikova is not a fan of the age rule that restricts her to 13 tournaments plus the four Grand Slam events this year. She wants the full-time tennis life and cannot imagine living outside the tour, saying she would "get bored" staying in one city too long. Whatever normal teenage life she is missing out on, she does not consider herself a burn-out case in the making.

"I still think everyone is different," she said. "It doesn't mean that what happened to some of the other girls is going to happen to me. Obviously, I'm still here. And I am sure I'm going to be here, and nothing is going to happen to me.

"They shouldn't make those kinds of rules. I've been practicing my whole life to play. And I'm just like, you know, just waiting right now. For what, I don't know."

Typical teen, she cannot wait to be treated like an adult. One day, she may be a serious rival for Martina Hingis. One day, her look will be less of an issue once she is recognized for being something besides "the bomb." Not that she claims to notice the special attention from the young guys who claw after her autograph. As the bedlam continued Monday, one young guy yelled out, "I love you, Anna."

"I think that happens to everybody," Kournikova said, as if anyone believes that teenage boys would risk life, limb and their pride for any other player.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	83	44	.654	—
New York	77	52	.597	7
Boston	66	66	.500	19½
Toronto	63	66	.488	21
Detroit	61	69	.469	23½
CENTRAL DIVISION				
Cleveland	67	60	.528	—
Milwaukee	65	65	.500	3½
Chicago	64	66	.492	4½
Kansas City	52	75	.409	15
Minnesota	52	77	.403	16
WEST DIVISION				
Seattle	73	58	.557	—
Anaheim	71	60	.542	2
Texas	62	69	.473	11
Oakland	52	79	.397	21

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	80	50	.615	—
Florida	75	54	.581	4½
New York	70	60	.538	10
Montreal	64	65	.496	15½
Philadelphia	47	80	.365	31½
CENTRAL DIVISION				
Houston	69	61	.531	—
Pittsburgh	67	66	.508	3
St. Louis	59	71	.454	10
Cincinnati	58	71	.450	10½
Chicago	53	78	.405	16½
WEST DIVISION				
Los Angeles	73	59	.553	—
San Francisco	72	59	.550	½
Colorado	62	70	.470	11
San Diego	62	70	.470	11

MONDAY'S LINESCORES

NATIONAL LEAGUE

Texas 000 011 000—2 5 1
Milwaukee 031 000 30x—7 12 0

Te.Clark, W. Heredia (3) and I. Rodriguez; Adamson, Fetters (7), Do.Jones (9) and Mathony. W—Adamson, 4-2. L—Te.Clark, 1-6. HRs—Texas, Ju Gonzalez (31). Milwaukee, Ju.Franco (5)

Detroit 041 001 000 001—7 11 1
Minnesota 010 201 200 000—6 12 0

S.Sanders, Miceli (6), M. Myers (7), Brocail (7), To.Jones (10), Sager (11) and Walbeck; Radke, Swindell (6), Trombley (8), Guardado (10), Aguilera (11) and Steinbach. W—Sager 3-4. L—Aguilera 4-4. HRs—Detroit, Nieves (19), Walbeck (3). Minnesota, Brede (1).

Boston 100 002 221—9 17 0
Seattle 003 011 300—8 11 1

Suppan, Mahay (6), Brandenburg (6), B. Henry (7), Hudson (8), Gordon (9) and Hatteberg; Wolcott, Charlton (6), B. Wells (7), Spoljaric (8), Slocumb (8) and Da.Wilson. W—Hudson 3-0. L—Slocumb 0-8. Sv—Gordon (3). HRs—Boston, Hatteberg (8). Seattle, Griffey Jr 2 (43), A. Rodriguez (21), Sheets (1).

NATIONAL LEAGUE

Cincinnati 021 040 000—7 13 0
Colorado 000 022 200—4 12 2

Fe.Rodriguez, Sullivan (5), PA.Martinez (7), Belinda (8), Shaw (9) and J. Oliver; F.Castillo, S. Reed (6), M. Munoz (7), Dipoto (9) and Je.Reed. W—PA.Martinez 1-0. L—F. Castillo 10-11. Sv—Shaw (26). HRs—Cincinnati, R. Sanders (17), B. Boone (6). Colorado, L. Walker (37). Helton (3).

Second game

Cincinnati 210 002 010—6 17 1
Colorado 010 002 001—4 12 0

G.White, Graves (6), Remlinger (7), Belinda (8), Shaw (9) and Fordyce; Hutton, Holmes (6), Leskanic (8), DeJean (9) and Manwaring. W—G White 2-1. L—Hutton 3-2. Sv—Shaw (27). HRs—Cincinnati, Nunnally (5). Colorado, Bichette (20), Helton (4).

Los Angeles 104 030 000—8 13 1
Pittsburgh 110 000 000—2 5 2

R.Martinez, Guthrie (6) and Piazza; Schmidt, Ruebel (5), Sodowsky (8), Christiansen (9) and Kendall. W—R. Martinez, 7-3. L—Schmidt, 8-7. Sv—Guthrie (1). HR—Los Angeles, Mondesi (26).

Second game

Los Angeles 100 200 000—3 8 1
Pittsburgh 100 000 003—4 6 3

Candiotti, Osuna (7), To.Worrell (9) and Prince; Peters, M.Wilkins (8) and Osik. W—M. Wilkins 8-3. L—To.Worrell 2-4. HRs—Pittsburgh, Randa (6), M. Smith (7).

San Diego 000 000 010—1 10 0
Philadelphia 000 170 02x—10 13 0

Cunnane, D. Veras (5), Bruske (5), Bergman (7) and C. Hernandez; M.Leiter and Lieberthal. W—M. Leiter, 9-13. L—Cunnane, 6-3. HR—Philadelphia, Lieberthal (19).

Second game

San Diego 010 003 000—4 5 2
Philadelphia 001 130 10x—6 10 0

Ashby, Bochtler (7) and Flaherty; Karp, Blazier (4), Gomes (6), Spradlin (7), Bottalico (9) and Parent. W—Blazier 1-1. L—Ashby 6-10. Sv—Bottalico (24). HRs—San Diego, Caminiti (19). Philadelphia, Brogna (16).

Montreal 000 010 010—2 6 0
St. Louis 000 000 001—1 4 1

P.J.Martinez, Urbina (9) and Fletcher; Widger (9); Aybar, Fossas (9) and Lampkin. W—P. J.Martinez 15-6. L—Aybar 0-3. Sv—Urbina (21). HR—Montreal, Fletcher (16).

Florida 000 100 000—1 8 0
Chicago 000 000 30x—3 11 0

A.Fernandez, Alfonseca (8) and C. Johnson; Tapani, Pisciotta (8), T.Adams (9) and Servais. W—Tapani, 3-3. L—A. Fernandez, 16-9. Sv—T. Adams (13).

San Francisco 020 000 221—7 11 0
New York 000 001 000—1 6 1

Estes, R. Hernandez (7), Beck (9) and B. Johnson; BJ.Jones, YPerez (7), Rojas (9) and Hundley. W—Estes 17-4. L—BJ.Jones, 13-8. HRs—San Francisco, G. Hill (10), B. Johnson (7).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	61	43	2	.587	—
Yokohama	57	44	—	.564	2.5
Hiroshima	54	49	—	.524	6.5
Hanshin	47	57	1	.452	14.0
Chunichi	48	59	1	.449	14.5
Yomiuri	45	60	—	.429	16.5

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Orix	55	41	3	.573	—
Seibu	58	44	2	.569	—
Nippon Ham	51	54	1	.486	8.5
Daiei	50	55	—	.476	9.5
Kintetsu	48	56	2	.462	11.0
Lotte	43	55	2	.439	13.0

TUESDAY'S RESULTS

CENTRAL LEAGUE

Yakult 4, Yomiuri 3
Yokohama 1, Chunichi 0 (10 innings)
Hanshin 4, Hiroshima3

PACIFIC LEAGUE

Kintetsu 4, Orix 3 (12 innings)
Seibu 7, Nippon Ham 2 (10 innings)
Daiei 1, Lotte 0

GOLF

WORLD GOLF RANKINGS

1. Tiger Woods, U.S., 10.98 points average; 2. Greg Norman, Australia) 10.80; 3. Ernie Els, South Africa) 10.00; 4. Nick Price, Zimbabwe) 9.48; 5. Colin Montgomerie, Britain) 9.07; 6. Tom Lehman, U.S. 8.65; 7. Phil Mickelson, U.S., 8.33; 8. Masashi Ozaki, Japan) 7.93; 9. Davis Love III, U.S. 7.59; 10. Mark O'Meara, U.S. 7.55; 11. Justin Leonard, U.S., 6.80; 12. Fred Couples, U.S., 6.64; 13. Steve Elkington, Australia) 6.63; 14. Scott Hoch, U.S., 6.49; 15. Nick Faldo, Britain) 6.45.

FOOTBALL

CFL Standings

EASTERN DIVISION	W	L	T	PF	PA	Pts.
Toronto	7	2	0	14	288	173
Montreal	6	3	0	12	227	259
Hamilton	1	8	0	2	200	264
Winnipeg	1	8	0	2	196	291
WESTERN DIVISION						
Edmonton	7	2	0	14	268	212
British Columbia	6	3	0	12	271	240
Saskatchewan	4	5	0	8	194	234
Calgary	4	5	0	8	253	226

Weekend results

Toronto 27, Saskatchewan 1
Edmonton 28, Hamilton 24
Montreal 26, Winnipeg 21
British Columbia 37, Calgary 23

SOCCER

ENGLISH PREMIER LEAGUE

Blackburn 7, Sheffield Wednesday 2

UEFA CUP

SECOND QUALIFYING ROUND, RETURN LEG

Vorskla Poltava, Ukr., 0, Anderlecht, Belg. 2
Anderlecht won 4-0 on aggregate.
Dnipropetrovsk, Ukr., 1 Vladikavkaz, Rus., 4
Vladikavkaz won 6-2 on aggregate.
Brno, Czech R., 2, Rapid Vienna, Austria 0
Vienna won 6-3 on aggregate.
Lillestrom, Nor., 1, Dinamo Minsk, Belarus, 0
Lillestrom won 3-0 on aggregate.
Odra Wodzislaw, Pol., 3, Volgograd, Rus., 4
Volgograd won 6-3 on aggregate
Orebro, Sweden, 0, Jablonec, Czech Rep., 0
Orebro won on away goal in 1-1 aggregate.
Trnava, Slovakia, 0 PAOK Salonica, Gr., 1
PAOK won 6-3 on aggregate
Hapoel Petah Tikva, Israel, 1 Vejle, Den., 0
Hapoel won 1-0 on aggregate.
Aarhus, Denmark, 3 Ujpest, Hungary, 2
Aarhus won 3-2 on aggregate.

TENNIS

U.S. OPEN

IN NEW YORK, N.Y.

MONDAY'S RESULTS

FIRST ROUND

WOMEN'S SINGLES

Naoko Sawamatsu, Japan, def. Erika de Lone, U.S., 6-4, 6-3; Elena Wagner, Germany, def. Katarina Studenikova, Slovakia, 6-2, 6-3.

Lilia Osterloh, U.S. def. Barbara Rittner, Germany, 6-3, 1-6, 6-3; Elena Likhovtseva, Russia, def. Petra Langrova, Czech Republic, 7-5, 6-4; Tara Snyder, U.S., def. Olga Lugina, Ukraine, 6-0, 7-6 (7-5).

Anke Huber (8), Germany, def. Gloria Pizzichini, Italy, 6-2, 6-2; Magdalena Maleeva, Bulgaria, def. Pavlina Stojanova, Bulgaria, 6-2, 6-3; Rachel McQuillan, Australia, def. Cristina Torrens-Valero, Spain, 4-6, 7-5, 6-4.

Francesca Lubiani, Italy, def. Fang Li, China, 6-4, 3-6, 6-2; Florencia Labat, Argentina, def. Angelica Gavaldon, Mexico, 6-2, 6-1.

Magui Serna, Spain, def. Magdalena Grzybowska, Poland, 6-4, 1-6, 6-3; Ludmila Richterova, Czech Republic, def. Jana Kandarr, Germany, 6-1, 6-1; Irina Spirlea (11), Romania, def. Amy Frazier, U.S., 6-1, 6-1.

Ai Sugiyama, Japan, def. Ann Grossman, U.S., 6-7 (5-7), 7-5, 6-2; Joannette Kruger, South Africa, def. Barbara Paulus (14), Austria, 6-1, 6-7 (2-7), 6-1; Riko Hiraki, Japan, def. Mariana Diaz-Oliva, Argentina, 6-4, 4-6, 6-2.

Monica Seles (2), U.S., def. Kristie Boogert, Netherlands, 6-1, 6-2; Janet Lee, U.S., def. Miho Saeki, Japan, 6-3, 6-7 (3-7), 6-3.

Paola Suarez, Argentina, def. Sandra Dopfer, Austria, 6-3, 3-6, 7-6 (7-4); Jackie Trail, U.S., def. Adriana Gersi, Czech Republic, 7-6 (7-4), 6-2.

MEN'S SINGLES

Alex Radulescu, Germany, def. Oleg Ogorodov, Uzbekistan, 3-6, 6-4, 7-6 (7-5), 6-1.

Todd Martin, U.S., def. Jim Courier, U.S., 3-6, 6-3, 6-4, 6-2.

Jerome Golmard, France, def. Hicham Arazi, Morocco, 6-4, 1-6, 7-6 (7-4), 4-6, 7-5.

Jonas Bjorkman, Sweden, def. Francisco Clavet, Spain, 6-2, 6-4, 6-4; Michael Sell, U.S., def. Cecil Mamiit, U.S., 6-3, 3-6, 6-4, 7-5.

Dinu Pescariu, Romania, def. Goran Ivanisevic (4), Croatia, 4-6, 7-5, 6-1, 7-6 (7-3).

Brett Steven, New Zealand, def. Juan Albert Viloca, Spain, 4-6, 6-2, 6-1, 6-2.

John van Lottum, Netherlands, def. Richey Reneberg, U.S., 6-1, 6-4, 2-6, 6-4.

Daniel Vacek, Czech Republic, def. Laurence Tieleman, Italy, 4-6, 6-4, 1-6, 6-3, 6-2.

Jiri Novak, Czech Republic, def. Davide Sanguinetti, Italy, 5-7, 6-2, 7-6 (11-9), 6-2.

Richard Fromberg, Australia, def. Patrick McEnroe, U.S., 6-2, 6-2, 6-7 (8-10), 6-3.

Marcos Ondruska, South Africa, def. Fabrice Santoro, France, 5-7, 6-4, 4-6, 6-2, 6-3.

Javier Sanchez, Spain, def. Albert Portas, Spain, 7-5, 6-2, 7-5; Petr Korda (15), Czech Republic, def. U.S., 2-6, 7-5, 7-6 (7-1), 6-4.

Martin Damm, Czech Republic, def. Tommy Ho, U.S., 6-3, 6-4, 6-7 (5-7), 6-4.

Patrick Baur, Germany, def. Jaime Oncins, Brazil, 4-6, 3-6, 6-4, 6-3, 6-3.

Pete Sampras (1), U.S., def. Todd Larkham, Australia, 6-3, 6-1, 6-3.

TUESDAY'S RESULTS

FIRST ROUND

WOMEN'S SINGLES

Patricia Hy-Boulais, Canada, def. Marketa Kochta, Germany, 6-2, 6-1; Brie Rippner, U.S., def. Natalia Medvedeva, Ukraine, 6-2, 6-2

Mary Pierce (9), France, def. Gigi Fernandez, U.S., 6-1, 6-2; Natasha Zvereva, Belarus, def. Radka Zrubakova, Slovakia, 6-1, 7-5.

Iva Majoli (4), Croatia, def. Catalina Cristea, Romania, 6-3, 6-2; Nana Miyagi, Japan, def. Ines Gorrochategui, Arg., 6-2, 7-5.

Sandrine Testud, France, def. Maria Antonia Sanchez Lorenzo, Spain, 6-3, 6-3.

Meilen Tu, U.S., def. Jolene Watanabe, U.S., 6-3, 7-5; Karina Habsudova, Slovakia, def. Nathalie Tauziat, France, 7-5, 7-6 (7-2).

Carina Morariu, U.S., def. Annabel Ellwood, Australia, 7-6 (7-3), 7-6 (7-3); Silvia Farina, It., def. Linda Wild, U.S., 6-4, 6-7 (3-7), 6-4.

Jana Novotna (3), Czech Republic, def. Virginia Ruano-Pascual, Spain, 6-0, 6-4.

Martina Hingis (1), Switz., def. Tami Jones, U.S., 6-0, 6-1; Yuka Yoshida, Japan, def. Kristina Brandi, U.S., 6-7 (7-9), 6-1, 6-4.

Mary Joe Fernandez (12), U.S., def. Naoko Kijimuta, Japan, 6-2, 6-3; Samantha Smith, Britain, def. Nicole Pratt, Australia, 6-3, 6-1.

Yayuk Basuki, Indonesia, def. Noelle van Lottum, Fr., 6-3, 6-4; Alexandra Fusai, Fr., def. Emmanuelle Gagliardi, Switz., 6-1, 6-1.

Patty Schnyder, Switz., def. Dominique van Roost, Belg., 6-2, 6-2; Olga Barabanschikova, Belarus, def. Laura Golarsa, Italy, 6-3, 6-3.

MEN'S SINGLES

Richard Krajicek, Netherlands, def. Wayne Black, Zimbabwe, 6-4, 6-2, 6-2.

Yevgeny Kafelnikov (3), Russia, def. Cristiano Caratti, Italy, 6-2, 6-4, 7-6 (7-4).

Magnus Larsson, Sweden, def. Jan Siemerink, Netherlands, 6-4, 6-3, 6-2.

Jeff Tarango, Manhattan Beach, Calif., def. David Prinosil, Germany, 6-4, 6-2, 7-5.

Marcelo Filippini, Uruguay, def. Alex O'Brien, Amarillo, U.S., 6-2, 6-4, 6-4.

Alex Corretja (6), Spain, def. Marc Rosset, Switzerland, 4-6, 6-3, 6-2, 6-2.

Jan Kroslak, Slovakia, def. Alexander Volkov, Russia, 3-6, 7-6 (7-4), 6-0, 6-1.

Sargis Sargsian, Armenia, def. Julian Alonso, Spain, 2-6, 0-6, 6-0, 6-4, 6-4.

Tommy Haas, Germany, def. Oliver Gross, Germany, 6-3, 6-4, 2-6, 6-4; Leander Paes, India, def. Carlos Costa, Spain, 6-1, 7-5, 6-4.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM—Recalled C Chris Turner and LHP Greg Cadaret from Vancouver, PCL. Put LHP Mark Langston and OF Orlando Palmeiro on 15-day disabled list. Traded INF-OF Aaron Guiel to San Diego for C Angelo Encarnacion.

CHICAGO—Signed RHP Kyle Kane and RHP Jamie Smith

CLEVELAND—Sent RHP Bartolo Colon to Buffalo, AA. Recalled OF Bruce Aven from Buffalo.

DETROIT—Activated RHP Brian Moehler from 15-day disabled list. Optioned LHP Glenn Dishman to Toledo, IL. Announced OF Curtis Pride refused a minor league assignment and became a free agent.

KANSAS CITY—Recalled RHP Jim Pittsley from Omaha, AA. Released RHP Mike Perez.

MINNESOTA—Activated C Greg Myers from 15-day disabled list. Optioned OF Torii Hunter to New Britain, EL.

OAKLAND—Activated RHP Brad Rigby from 15-day disabled list. Designated RHP John Johnstone for assignment.

SEATTLE—Optioned RHP Felipe Lira and INF Brent Gates to Tacoma, PCL. Activated OF Rob Ducey from 15-day disabled list. Put OF Lee Tinsley on 15-day disabled list. Recalled SS Andy Sheets and RHP Bob Wolcott from Tacoma.

TEXAS—Put 1B Will Clark and OF Warren Newson on 15-day disabled list and 2B Mark McLemore who is retroactive to August 19th. Transferred RHP Xavier Hernandez from 15-day disabled list to 60-day disabled list. Bought contract of INF-OF Alex Diaz from Oklahoma City, AA. Recalled RHP Eric Moody and OF Mike Simms from Oklahoma City. Sent RHP Tanyon Sturtze outright to Oklahoma City, C Frank Charles, OF Doug O'Neill, and OF Brian Blair outright to Tulsa, TL and INF Ryan Gorecki outright to Charlotte, IL.

NATIONAL LEAGUE

CHICAGO—Put RHP Kevin Foster on 15-day disabled list, retroactive to Aug. 17. Recalled RHP Dave Stevens from Iowa, AA.

CINCINNATI—Put LHP Kent Mercker on 15-day disabled list. Recalled RHP Danny Graves from Indianapolis, AA.

FLORIDA—Bought contract of RHP Donn Pall from Charlotte, IL. Sent RHP Kirt Ojala to Charlotte.

HOUSTON—Put 3B Sean Berry on 15-day disabled list.

NEW YORK—Optioned LHP Joe Crawford to Norfolk, IL. Recalled INF Jason Hardtke from Norfolk.

PHILADELPHIA—Put OF Gregg Jefferies on 15-day disabled list, retroactive to Aug. 18. Recalled 1B Mike Robertson from Scranton-Wilkes-Barre, IL.

ST. LOUIS—Agreed to terms with LHP Rich Ankiel on minor-league contract. Put OF Brian Jordan on 15-day disabled list.

SAN DIEGO—Activated RHP Jim Bruske from 15-day disabled list. Optioned OF Ruben Rivera to Las Vegas, PCL.

SAN FRANCISCO—Recalled OF Marvin Benard from Phoenix, PCL. Optioned OF Jacob Cruz to Phoenix.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

BOSTON—Signed F Chris Mills and G Tyus Edney.

CHARLOTTE—Signed C Nate Wilbourne.

CHICAGO—Announced the retirement of C Robert Parish.

DENVER—Acquired F Eric Williams from Boston for 2 second-round draft choices.

DETROIT—Signed G-F Malik Sealy.

PHOENIX—Signed F Tom Chambers, F Clifford Robinson and C William Cunningham to 1-year contracts.

PORTLAND—Signed F Brian Grant to 7-year contract. Re-signed C Chris Dudley to 1-year contract. Renounced rights to F Clifford Robinson, G Rumeal Robinson, G Mitchell Butler and G Marcus Brown.

SEATTLE—Signed G-F David Wingate to 1-year contract. Re-signed G Eric Snow to 2-year contract.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NEW YORK GIANTS—Signed C Lance Scott. Waived DT Matt Keneley. Terminated contract of S Maurice Douglass.

NEW YORK JETS—Terminated the contracts of RB Reggie Cobb, K Joe Nedney and P Brian Hansen. Claimed FB Jerald Sowell off waivers from Green Bay, LB Matt Finkes and P Todd Kurz off waivers from Minnesota, and TE John Burke off waivers from New England. Signed S Corwin Brown. Traded TE Tyron Davis to Green Bay for past considerations.

SAN DIEGO—Claimed DT Norman Hand off waivers. Waived DT Rashad Swinger. Signed F Robert Chancey, DT Michael Mohring, CB Michael Swift and S Gerome Williams to practice squad.

SAN FRANCISCO—Signed DE Jeff Posey, DE Carlos Thornton, DT Albert Reese, RB Reynard Rutherford, WR Curtis Shearer to practice squad.

TENNESSEE— Signed RB Spencer George and CB George McCullough to practice squad.

CANADIAN FOOTBALL LEAGUE

CFL—Announced Jeff Giles accepted the position of president.

HOCKEY

NATIONAL HOCKEY LEAGUE

ANAHEIM—Signed D Mike Crowley to 2-year contract.

CAROLINA—Traded C Andrew Cassels and G Jean-Sebastian Giguere to Calgary for F Gary Roberts and G Trevor Kidd.

COLORADO—Agreed to terms with F Rene Corbet and F Eric Lacroix.

DALLAS—Announced retirement of C Neal Broten.

NEW JERSEY—Acquired D Vlastimil Kroupa from San Jose Sharks for 1998 3d-round draft pick.

NEW YORK ISLANDERS—Acquired RW Mariusz Czerkawski from Edmonton for LW Dan Lacouture.

NEW YORK RANGERS—Agreed to terms with F Johan Lindbiom and D Jeff Brown.

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Kafelnikov Justifies His Open Seeding

American Bomb

SPORTS

Italians in Exile Show the Way

International Herald Tribune

Vantage Point / ROB HUGHES

LONDON — Great feats can happen in precious little time. In just over nine seconds, Donavon Bailey, Carl Lewis and Ato Boldon have run the 100 meters; and in just over nine seconds from, goal line to goal line, three footballers carved out a goal for Chelsea on Sunday.

Ed de Goey, the club's Dutch goalkeeper, caught the ball from a corner and threw it almost half the length of the field.

Dan Petrescu, a Romanian wingback who usually patrols the right, ran to receive the ball wide on the left. With vision, with accuracy, with just enough weight, Petrescu used the outside of his foot to swerve the ball 35 yards (32 meters) through the center of the field.

The ball dropped for Gianluca Vialli. The brooding Italian, neglected on Chelsea's bench last season, had begun his run before Petrescu made the pass.

Thus Vialli made up the mind of Petrescu, just as Petrescu had invited the throw from de Goey.

Vialli kept his body between opponent and ball. He allowed it one bounce, two . . . and as it rose a third time, struck it venomously from 25 yards so that nobody would stop it.

From goalkeeper to goalscorer, from defense to attack, from three foreigners in harmony, the goal demonstrated how the ball travels faster than man.

Vialli scored four goals during the match. Numerically, Marco Negri, another Italian, beat him, with five for Glasgow Rangers on Saturday. And Benito Carbone hit a brace of goals of scintillating sweetness for Sheffield Wednesday as it lost, 7-2, to Blackburn Rovers, the English Premier League leader, on Monday.

So Italians in exile are becoming more than ice-cream salesmen in British eyes. They are part of the changing culture exposing English and Scottish soccer to 150 foreigners at a cost approaching $300 million.

While Brits discover the flavor of imports, they by no means invented the practice. Germany's Bundesliga has 148 *legionäre* from 38 countries; Spain and Italy start their seasons next weekend, their teams crammed with foreigners.

In Spain, the outnumbered domestic *hombres* talk of striking unless clubs put a block on some imports. The union cannot prevent free movement of Western Europeans, but wants controls on players from South America, eastern Europe and Africa.

Allowing six non-European Union players per team, claims the union, stifles Spanish youth.

A generation ago, Italy stopped *stranieri*. Now it lets them in like oil gushing out of a burst pipe.

Oil is the right analogy. A new figure at the president's table, a petroleum billionaire, is pumping up into the latest inflation.

Massimo Moratti, paymaster of Internazionale, is attempting what his father, Angelo, did in the 1960s — making Inter great by pouring money in from his oil refineries off Sardinia.

The son acquired Milan's blue and black club two years ago when it was sinking like a stricken ship. It was outpaid and outplayed by A.C. Milan, the house of Silvio Berlusconi.

With the Agnelli flagship, Juventus, now ahead of them, both Milan giants are trying to buy back the power and glory.

Inter, changing coaches and its squad wholesale, broke the world record fee for Ronaldo (if he stays for nine years on his contract, it works out at $130 million).

Ronaldo is one of seven summer purchases by Inter. Only one is Italian. The club has bought another Brazilian, a Uruguyan, a Frenchman, a Nigerian and an Argentine. They join to Youri Djorkaeff (France), Javier Zanetti (Argentina), Aron Winter (Holland), Nwankwo Kanu (Nigerian) and Ivan Zamorano (Chile), most of whom arrived only last summer.

They will be managed by Luigi Simoni, 58, who has spent most of his life coaching at clubs where talent had to be sold to make ends meet.

Simoni's predecessor, the Englishman Roy Hodgson, wishes him well, but says: "The president thinks the way to hit the jackpot is not by coaching or working hard. He is of the opinion that we'll give this lot of players a go, and if it doesn't work we'll bomb them out and get in a new lot for another £50 million ($80 million).

"You don't need a soccer coach. You just need someone who feeds the monkey."

Do monkeys eat humble pie? Moratti's neighbor and rival, the media magnate Berlusconi, has had to. Last year he allowed Fabio Capello, Milan's ultra successful coach, to go to Real Madrid.

The team's stars behaved like abandoned orphans. Milan slumped to 11th in Serie A. Berlusconi lost a fortune hiring, firing, and compensating first Oscar Washington Tabarez, then Arrigo Sacchi, as coach.

Capello is back, with a new purse and an old mandate. He has to make Milan king of San Siro, he might restore Milan to European pre-eminence.

Berlusconi has bankrolled the buying of 10 players — two of them Italians. There is new Dutch, Brazilian, Croat, German and Swedish blood to augment the "old" retainers Paolo Maldini, Demetrio Albertini and George Weah.

With Franco Baresi, the emperor of Milan's defense retired, with Roberto Baggio gone for a snip to Bologna, the red half of Milan trusts Capello to blend a team that beats the hell out of Inter's reliance on Ronaldo-mania.

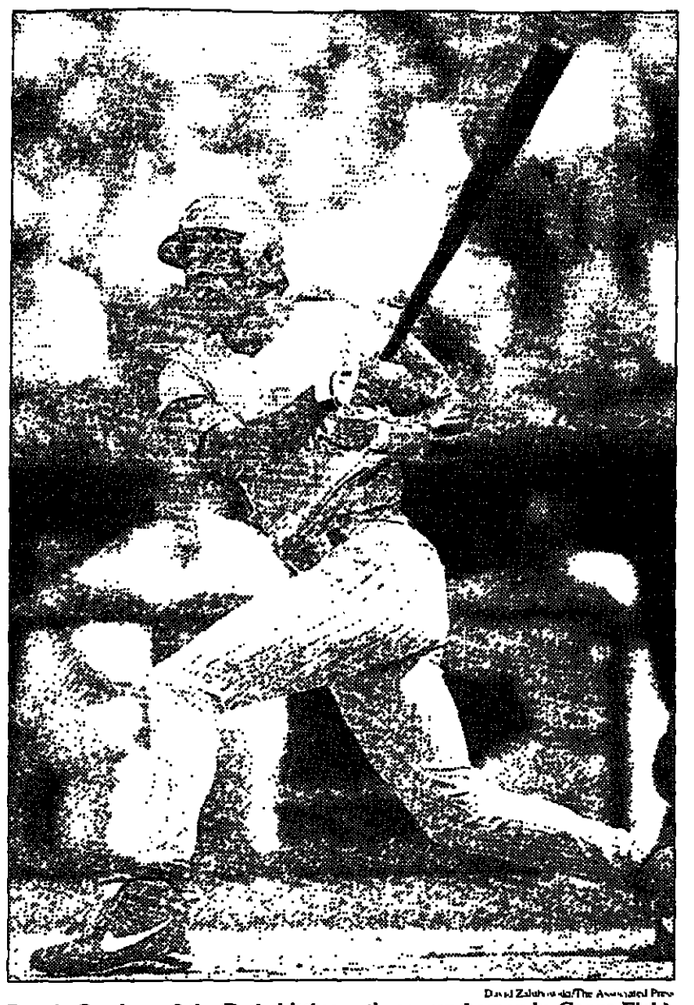
The boy from Brazil's backstreets shared, with his fiancée Susana, a Milan hotel suite previously allocated to Princess Diana. He shares the burden of making Inter great again.

He happens to be black in a part of Italy where racial intolerance has lately been manifest. If Nwankwo Kanu, the Nigerian recovered from heart surgery, makes the lineup, Inter's attack would hold a message against racism.

At Milan, George Weah from Liberia might team up with Sweden's Andreas Andersson, or the troubled former Ajax youth Patrick Kluivert. Again color matters less than ability.

And Italy's champion, Juventus, recasting for the third straight year, shows the same disrespect for racial barriers. Though selling as well as buying, Juventus now favors Filippo Inzaghi (Italian!), and Daniel Fonseca (Uruguyan) in attack.

Rob Hughes is on the staff of The Times of London.



David Zalubowski/The Associated Press

Reggie Sanders of the Reds hitting a three-run homer in Coors Field.

Two Homers in the Ninth Save Day for Pittsburgh

The Associated Press

Two misplaced pitches by Todd Worrell took the Los Angeles Dodgers from a sweep to a split.

Worrell gave up home runs to Mark Smith and Joe Randa on consecutive pitches in the ninth inning as the Pittsburgh Pirates stunned Los Angeles 4-3 Monday night for a doubleheader split.

"I'm sure this is going to linger," Worrell said. "You don't forget about a bad performance in 15 minutes."

The Dodgers won the first game 8-2, and a victory in the nightcap would have given the club a 1½-game lead over San Francisco in the NL West. Los Angeles took over the division lead for the first time since April 13 on Sunday.

"It was another storybook finish in a storybook season," Randa said. "We were exhausted, down and dragging, ready to lose a doubleheader, and we won the game."

The Pirates, picked to finish last in the National League Central, trail first-place Houston by three games. They are 20 games ahead of their last-place pace of a year ago.

In the first game, Ramon Martinez won his first official start in more than two months and the Dodgers roughed up Jason Schmidt for eight runs in 4⅓ innings.

NL ROUNDUP

Giants 7, Mets 1 Brian Johnson hit a two-run homer and Shawn Estes (17-4) improved to 9-0 following a San Francisco loss as the Giants won in New York. Estes allowed one run and six hits in 6⅔ innings as the Mets lost for the 11th time in 16 games.

Cubs 3, Marlins 1 In Chicago, Doug Glanville broke a 1-1 tie in the seventh with a two-run, bases-loaded single as the Cubs beat Florida for the first time in eight games this season.

Kevin Tapani allowed seven hits in seven innings, and Terry Adams got three outs for his 13th save.

Expos 2, Cardinals 1 At St. Louis, Pedro Martinez (15-6) took a two-hit shutout into the ninth and lowered his major league-leading earned run average to 1.61. He set a career best for wins, allowing four hits and striking out 13 in 8⅔ innings. Ugueth Urbina got the last out for his 21st save.

Phillies 10, Padres 1; Phillies 6, Padres 4 In Philadelphia, Rico Brogna homered and drove in two runs in the second game. Midre Cummings went 6-for-9 in the doubleheader, getting his first four-hit game in the opener and driving in two runs.

Reds 7, Rockies 6; Reds 6, Rockies 4 Chris Stynes had four hits and Jon Nunnally had three hits as Cincinnati swept a doubleheader in Denver.

In the opener, Reggie Sanders and Bret Boone hit two-run homers for the Reds.

Colorado's Larry Walker went 5-for-9 in the doubleheader, raising his average to .376, seven points behind the NL leader, Tony Gwynn.

Home Runs By Mariners Cannot Save The Bullpen

The Associated Press

The Mariners' sluggers were again undone by their shaky bullpen.

Seattle hit four homers Monday, including Ken Griffey's major league-leading 42d and 43d. But the bullpen failed to hold the lead and the Mariners lost, 9-8, to the Boston Red Sox in Seattle.

Two Seattle relievers, Norm Charlton and Heathcliff Slocumb, blew saves in the seventh and eighth innings, giving the bullpen 20 lost saves this year.

"You never want to see all those home runs go to waste," Slocumb said.

Charlton blew his 10th save opportunity by allowing three runs with two walks and a hit batter in the seventh.

Andy Sheets hit his first career home run and Alex Rodriguez also homered for the Mariners, who increased their major league-leading total to 206.

AL ROUNDUP

John Valentin drove in the go-ahead run for Boston with a ninth-inning single off Slocumb.

The Mariners have lost nine games in which they led after seven innings.

With the score tied, 8-8, in the ninth, Jeff Frye drew a leadoff walk from Slocumb and Darren Bragg sacrificed. Nomar Garciaparra was intentionally walked and Valentin, who went 4 for 6, singled in the go-ahead run.

Slocumb, who arrived in a trade with Boston on July 31, is 0-4 since joining the Mariners.

After homers by Griffey and Rodriguez in the seventh put Seattle ahead, 8-6, the Red Sox tied it in the eighth when Valentin scored on Griffey's throwing error and Troy O'Leary hit a run-scoring single off Slocumb.

Bob Wolcott, called up from Triple-A Tacoma earlier in the day, started for Seattle and struck out eight in 5⅔ innings.

The right-hander, starting in place of the injured Randy Johnson, gave up three runs and 10 hits.

Garciaparra set an American League rookie record by extending his hitting streak to 27 games.

He led off the first with a single off Wolcott, breaking the rookie hitting streak record held by Guy Curtright, who had a 26-game streak for the Chicago White Sox in 1943.

Brewers 7, Rangers 2 In Milwaukee, Julio Franco homered as the Brewers won for the eighth time in 11 games and closed within 3½ games of Cleveland in the American League Central.

Franco hit a two-run homer and went 3 for 4 as Milwaukee reached .500 for the first time since Aug. 5.

Juan Gonzalez hit his 31st homer for Texas.

Tigers 7, Twins 6 In Minneapolis, Brian Hunter's run-scoring single in the 12th inning off Rick Aguilera sent the Twins to their fourth successive loss and 14th in 15 games.

Minnesota's Paul Molitor, who went 2 for 6, moved into 14th place on the career hits list with 3,144.

Brad Radke of the Twins, attempting to become the second 18-game winner in the majors, did not get a decision for the first time in 23 starts since April 27. He allowed six runs and six hits in five-plus innings.

Why Ryder Cup Hopes Hinge on Olazabal

By Ian Thomsen
International Herald Tribune

A strange variation of the Ryder Cup will begin Thursday near Munich at the BMW International Open when the continent rallies around Jose Maria Olazabal. If Olazabal plays well this month in Germany, then the European team might be propelled to retain the Ryder Cup next month in Spain.

If Olazabal fails this weekend, he might take the European team down with him.

How could one player be so crucial among the 24 who will take part in golf's most dramatic team competition? The young U.S. team, already chosen, is led by Tiger Woods, Justin Leonard and Davis Love 3d, all winners of major championships this year. The Americans will bring six major champions to Valderrama, all of them younger than 39.

The Europeans appear to be on the other side of the curve. Among their surviving core of Nick Faldo, Bernhard Langer and Ian Woosnam, Woosnam is the youngest at 39. More Americans have won major titles this season than the Europeans have produced in the last four years — from Faldo and Olazabal at the 1996 and 1994 Masters winners, respectively.

Olazabal, 31, could give Europe the presence, the feeling of a younger team. For one thing he has fought hard to overcome the debilitating foot problems that sidelined him for 18 months.

He would give Europe a home-course advantage at Valderrama. No country outside of the U.S. or Britain has ever staged a Ryder Cup, but the Spanish galleries will understand what's at stake if they see Olazabal playing at his best. He learned how to fight from his former Ryder Cup partner Seve Ballesteros, now the European nonplaying captain, and the pride expressed on his home soil might infect his elder champion teammates.

Best of all, Olazabal's automatic qualification would allow Ballesteros to spend his two "wild card" picks on Faldo and Jesper Parnevik, the U.S.-based Swede who finished second at the British Open. It says much about the depth of the European Tour that Ballesteros has so few choices. His American rival, Tom Kite, had many options before rounding out his team with Lee Janzen and Fred Couples.

"It's very close and I still have to play well this week," said Olazabal, who hopes to maintain his current 11th place in the Ryder Cup standings. (The Top 10 players earn automatic places, but No. 10 Miguel Angel Martin of Spain has suffered a hand injury and will not be available to play.)

Olazabal could still be overtaken by No. 12 Padraig Harrington of Ireland, who is almost £22,000 behind him in the standings, or any of several other players.

The Europeans will hope that Olazabal maintains his momentum from last weekend at the European Open in Dublin. After barely making the cut — one more shot and he was out — he closed with rounds of 67 and 65, including an emotional punch-throwing birdie at the 18th to equal the low round of the week.

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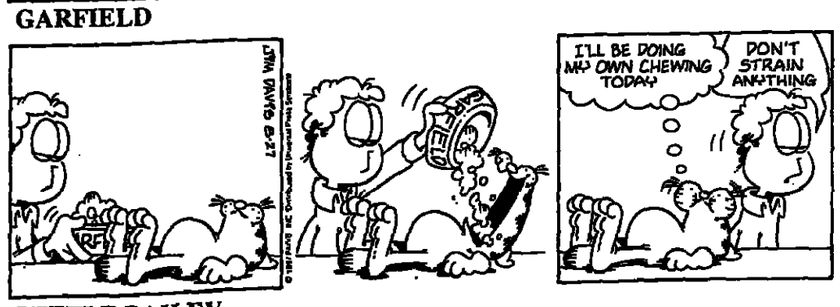

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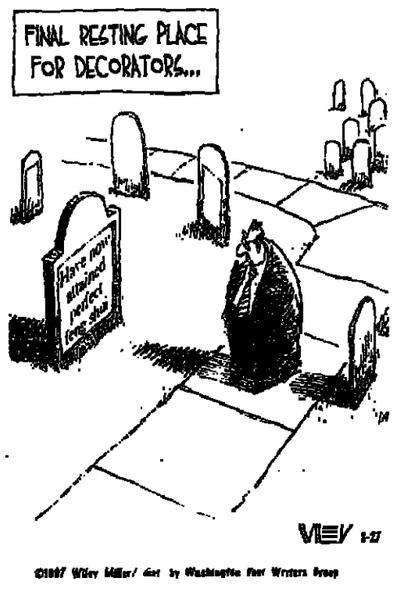

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OBSERVER

The Warring Party

By Russell Baker

NEW YORK — When last sighted on the radar, William Weld had sacrificed eminence (the governorship of Massachusetts) and headed for Washington to do battle with Senator Jesse Helms.

That was three or four weeks ago and the long silence that followed naturally raised fears that Helms might have trapped and eaten him. Humanitarians were relieved, therefore, by a short wire-service story in some papers.

This said that Representative Clay Shaw, a Florida Republican, had announced his support for giving Weld an ambassadorship. Since congressmen are assumed to know who is among the quick and who the dead, Shaw's statement raises hopes that nothing terribly untoward has happened to Weld, but that he is merely languishing in chains in the Senate dungeon.

Behind this bizarre story there are curiosities locked within curiosities. It is curious that President Bill Clinton should have proposed Weld, a Republican, to be ambassador to Mexico. It is curious that Senator Helms, also a Republican, should resist it.

□

True, Helms, once a talk-radio host in North Carolina, is a Republican of the unreconstructed mossback species, while Weld is a Republican of the uptown breed, reeking of Boston and outrageously moderate political ideas.

Still, they are Republicans together, are they not?

Of course not. Together is not where Republicans live. Apartness is their natural habitat and, they think, their strength. They are not a party. They are a church at war with itself. He who is false to the prevailing orthodoxy (radical conservatism, nowadays) must be stripped of his epaulets and sent forth in sackcloth and ashes for re-education in the purities of the dogma.

And Weld is a . . . moderate!

As chairman of the Foreign Relations Committee, Helms, claiming power to block any diplomatic nomination he chooses, swears that Weld shall not pass. He will not even grant Weld a committee hearing, presumably fearful lest some weak-willed fellow Republicans speak well of the moderate rascal, as Shaw has already done.

□

The Washington media were shocked at Weld's gall in coming to Washington to campaign for his nomination. Many sensible media people and most of the airheads seemed appalled that a nominee — a mere nominee for a mere ambassadorship — should challenge power so august as Helms represented.

For a fellow who was thought to have presidential dreams, Weld, it was said, had revealed a deplorable ignorance of political reality.

But suppose it was fatigue with Washington's dreary old political reality that sent Weld forth. That might not be a bad starting point for a political campaign. It is obvious that voters by the millions are also fatigued with what Washington calls political reality.

A government in which one cranky committee chairman can hold the nation's foreign policy hostage whenever it suits his whim is unlikely to leave anybody impressed by Washington's idea of political reality.

New York Times Service

Venice Festival Won't Shun the Hollywood Glitz

By Roderick Conway Morris
International Herald Tribune

A scene from "A Ciegas," by the young Spanish director Daniel Calpasoro.

VENICE — The long-awaited and much-needed reform of the Venice Biennale, which runs the film festival, remains stuck in that state of suspended animation that movie folk like to term "in development." Felice Laudadio — film critic and for nearly 20 years curator of film festivals in Italy and Latin America (and organizer since 1991 of the Italian and European sections of the Palm Springs Film Festival) — was appointed somewhat late in the day as the new maestro charged with the task of orchestrating this year's event.

The impression that Laudadio's principal agenda was to make the Venice film festival (Aug. 27 to Sept. 6) once again a strictly art affair, hinted at by his own recent remarks that he would not be arranging "a festival for photographers," was vigorously disclaimed by Laudadio in an interview at the Palazzo del Cinema on the Lido.

"It's true that I'm not interested in names for names' sake, but this does not mean a return to art cinema. As far as I'm concerned, there simply are good films, mediocre films and bad films. Moderately good films with stars in them usually stand a strong chance of getting into festivals. But what I've tried to do is to choose on the basis of quality alone, regardless of whether the directors or actors are well known," he said.

"Also," he added, "all the films in competition are genuine world premieres, and in fact, with very few exceptions, so are the ones in the other sections."

American films are given less prominence than in the recent years of Gillo Pontecorvo's stewardship, when Venice became a launching pad for their European distribution. But Woody Allen's out-of-competition "Deconstructing Harry" will open the festival, and there are two U.S. productions in competition: "One-Night Stand," directed by the British-born Mike Figgis (whose previous movies include "The Browning Version" and "Leaving Las Vegas"), starring Wesley Snipes as Max, a settled, prosperous, happily married man, whose unexpected and fleeting fling with Karen (Nastassia Kinski) throws his life into turmoil; and Bob Gosse's "Niagara, Niagara," the tale of two teenage misfits, Seth, a petty thief (Henry Thomas) and Mary (Robin Tunney), a frequently inebriated invalid, who set off to find a rare doll in Toronto.

Seven other U.S. films, including the already mega-earning "Air Force One" (which has yet to open in Europe), Paul Schrader's "Affliction," Guillermo Del Toro's "Mimic" and Joe Dante's "The Second Civil War," are scheduled for *mezzanotte* (midnight) and *mezzogiorno* (midday) slots, holding out the promise that, despite Venice's change of direction, the likes of Harrison Ford, Nick Nolte, Mira Sorvino and James Coburn will take the trouble to appear in person.

Gerard Depardieu and Alida Valli (veteran star of Carol Reed's "The Third Man" and Luchino Visconti's "Senso") will be coming to receive lifetime achievement Golden Lions, while the one for Stanley Kubrick, who is immersed in making "Eyes Wide Shut," will be collected by Nicole Kidman at a showing of "A Clockwork Orange," which Warner is hoping to return to general release.

The section reserved for Italian films, two of which are in competition, has been scrapped by Laudadio, who said: "If there had been eight or 10 really good ones available, I would have retained it. But, while a festival can be a great trampoline to launch a film, to push a not particularly accomplished one, even by a talented director, does nobody any favors."

There is, however, a special British Renaissance grouping, showcasing seven of the latest U.K. offerings, among them Brian Gilbert's "Wilde" and Iain Softely's "The Wings of a Dove." (Alan Rickman's debut as a director, "The Winter Guest," with Emma Thompson and Phyllida Law, will appear in competition.)

Zhang Yimou's "Keep Cool," described as "a humorous take on changing relationships between today's urban Chinese," which was blocked by the Beijing authorities from showing at Cannes, will also (barring last-minute hitches) join the in-competition lineup, along with a joint Hong Kong-China production, set against the handover of the colony, "Chinese Box" directed by Wayne Wang (whose previous hits include "Dim Sum" and "Smoke"), starring Jeremy Irons as a terminally ill English journalist and Gong Li as "a reformed hostess." Japan is represented by Takeshi Kitano's "Hana-Bi," a story of two retired cops and their strangely arrived at embroilment with a gangster.

Terrorism provides the theme for the Irish entry, "The Informant," directed by the New York-born Jim McBride (maker of "The Big Easy"), and for "A Ciegas" (Blinded) by the young Spanish director Daniel Calpasoro. Films from Brazil, France, Poland, Russia and the Belgian "Combat de Fauves," with Richard Bohringer and Ute Lemper, are also in the running for prizes.

Laudadio's attempts to set up a film market à la Cannes at Venice foundered this year through lack of time and opposition from some in the Italian movie sales business.

"Some of them have objected," he said, "to the festival taking on this new role, saying Venice should remain 'pure' and not soil itself with commerce. And this is coming from the merchants. It's astonishing!"

"I've seen well over 300 films and had to chose 60 or so. But there were at least the same number again that were perfectly suitable for showing at Venice, but in which I saw some kind of shortcoming — or was maybe just mistaken not to choose," said Laudadio. "These would certainly have been given a chance if I'd managed to organize the market. Venice could do much more to help films of good quality. After all, films can sometimes be art, but they are also a commodity that has to be bought and sold. And if I'm reappointed to run the festival next year, I am absolutely determined to get the Venice market off the ground."

FESTIVALS

Marsalis Hits Town, and French Village Leaps in Stature

By Mike Zwerin
International Herald Tribune

MARCIAC, France — The recognition factor of names dropped is a meaningful measure of the importance of occasions like these. Names at JIM (Jazz in Marciac) are getting increasingly august every year.

The festival, which celebrated its 20th birthday this year, has become a major event whose impact has more in common with, say, the Sugar Bowl than with "Jazz on a Summer's Day." It's about more than music now. The economic and social well-being of an entire region is at stake.

The songwriter Carole King ("Tapestry," "You've Got a Friend") was here to meet with Wynton Marsalis, who has become Marciac's patron saint by now. King said they were discussing a musical collaboration.

At the bandstand in the town square, the music is free.

Another King, B.B., was sitting in gridlock in his band bus, staring out the window. The famous bluesman told the children asking for his autograph that he was "too tired" to sign their little pieces of paper. A French drummer asked whether that's what is called an "attitude problem."

Ray Charles, "The Genius of Soul," hired an all-star combo he called the "Giants of Jazz" to play songs other than those already associated with him. The idea came from Jean-Louis Guilhaumon, director of the festival and mayor of Marciac (pop. 1,200). He has also been responsible for installing a full-time jazz program in the high school, of which he is the principal. (Marsalis teaches there every August.) More than any other single person, Guilhaumon is responsible for having made Marciac something more than just another wide spot on a road.

Although Charles's band — including Johnny Griffin, Phil Woods, David Newman, Roy Hargrove and Nicholas Payton — had rehearsed, their stage interpretation of Thelonious Monk's "Straight No Chaser" was a sorry one. Members of the audience, most of whom live within a radius of 250 kilometers, were not fooled. After 20 years, they've learned to hear the difference between a minor second and a clinker.

Charles invited Marsalis on stage and he came out to jam with Hargrove and Payton. The three premier trumpet stars injected some consonance for a few choruses. Charles, who is known for being rude to fellow musicians, promptly dismissed them. The backstage buzz was that he did not want his applause stolen. He called for pinch soloists.

When musicians reach a certain level of fame, they seem to be driven to abuse their power. This does not appear to be true of Marsalis as yet, but, still. For one thing, his ego is already being stroked quite enough thank you very much. For another, directing the Lincoln Center Jazz Program in New York, he has been accused of agism and racism. It is said that when he took over the program's orchestra he kicked out older white guys. And in general at this point in his career, one runs the risk of appearing to suck up to the Establishment.

He's still looking and sounding very good, and so a lot of the criticism might be just plain jealousy. And it is not the same Establishment on this side of the Atlantic.

This year, Marsalis's statue was put up on the Place du Chevalier d'Antras, next to a nice little museum called Les Territoires du Jazz.

Marsalis (and statue) as Guilhaumon watches.

Marsalis composed a "Marciac Suite," writing some of it on the airplane and rehearsing it in Marciac. The work has been described as a sort of Gascon tone poem. It is tuneful, unpretentious and fun. It represents local people and events with a great deal of humor and musicality. It was interrupted by a thunderstorm at midnight. The weather bureau warned the festival to evacuate the 5,000 listeners from the tent ("the largest circus tent in Europe," says Guilhaumon) where the concerts take place because big tents attract lightening.

Marsalis's band — Walter Blanding, Marcus Roberts, Rodney Whitaker and Herlin Riley — finished it the following afternoon on the bandstand in the town square where the off-festival takes place. The music is free down there.

The band sounded as happy as Charles had been sad. Marsalis obviously wanted to please these people. For the most part, they are clean-living country folk with their values on straight. But it was very hot, and pleasing them would provide no major career boost for him. No matter how nice they are, the people in Marciac are not members of any cultural elite. They do not influence world taste. You respect Marsalis for that.

This year, Marciac has been named a *site majeur* and granted a 5 million franc ($830,000) subsidy by a combination of regional and national levels of government to encourage a revival already begun by the American jazz music being performed and taught there.

Infrastructure will be developed. The lake will be spruced up with little boats and cabins for hire. New business are moving into town — three furniture factories, an auto-driving school, a computer consultant, an industrial design firm.

Guilhaumon's high school had 90 students before JIM. Now there are 160, thanks to the conservatory. Think about it. Teenagers in a public high school in *la France profonde* learn to play music — Mingus not Mozart — that originated with African Americans in New Orleans and developed in Chicago and New York. Is this a global village or what?

Some years ago, Guilhaumon says, he was "told by statisticians that our village would soon no longer be viable."

"They said the school would have to close," he said. "These are scientists, remember, serious people. They told us, in fact, that we were condemned. But there was one element thay did not take into account. The will of man."

PEOPLE

THE oldest person in the world is 117 years old, has 500 descendants and lives in southern Viemam, the daily Saigon Giai Phong claims. Le Thi Co was reportedly born in 1880 in a suburb of Saigon, now known as Ho Chi Minh City, and is still in good health, the paper said. The paper insisted she is now the world's oldest living person. The official title has already been given by the Guinness Book of Records to a Canadian, **Marie-Louise Meilleur**, 116, following the death in August of **Jeanne Calment** in France at the age of 122.

□

The Belgian couturier **Olivier Strelli** is delighted that the rubber-lipped Rolling Stone **Mick Jagger** has picked his designs for the group's latest "Bridges to Babylon" world tour. "Mick Jagger saw some of our designs in an American magazine and asked to see them," Strelli said. The 54-year-old rocker's fancy includes a figure-hugging red velvet coat and matching trousers, as well as a short velvet tiger-print coat in gold, brown and burgundy.

□

Steven Spielberg's dinosaurs have been outdone by a 14th century Japanese princess who fights to save forests. The animated film "The Princess of Mononoke" has attracted 7.7 million viewers in Japan so far and grossed 6.3 billion yen (about $54 million) since its Japanese debut in mid-July, an earnings record for a Japanese movie, a spokesman for Toho Co. said. Spielberg's "The Lost World: Jurassic Park" attracted 5 million people in Japan during that period.

□

No one can accuse **Rosemary Clooney**, 69, of marrying in haste. Clooney is a step closer to marrying a dance instructor she met on a movie set in the 1950s. Clooney and **Dante Di Paolo**, 72, are engaged and plan to wed this fall. The two have lived together since 1973. It will be the second marriage for each.

□

A federal appeals court upheld a $150,000 jury award for actor **Clint Eastwood** in his lawsuit against the National Enquirer, a supermarket tabloid. The 9th U.S. Circuit Court of Appeals ruled the tabloid should have had doubts about the story written by a freelancer, **Cameron Docherty**, because the National Enquirer had run a story a few weeks earlier that had contradicted Docherty's article. In addition, the judges said the tabloid should have been suspicious when the reporter told the National Enquirer's editors his tape had been erased. Eastwood sued the tabloid after a Dec. 21, 1993, cover story that claimed to be an interview entitled "Dirty Harry Lifts the Lid on His Private Life" was published.

E. Ragoucci/Agence France-Presse

FAME'S PERKS — Liza Minnelli arriving at Catania, Italy, where she will be a judge at a Miss Italia contest.

□

The actor **Tom Selleck** has no plans to go into politics. The "Magnum, P.I." star took on columnist **Maureen Dowd** of The New York Times. Dowd wrote last week that Republicans were trying to recruit Selleck for the Senate. Selleck likened her column to a tabloid report full of "half-truths and fabrications." In a letter to The Associated Press, Selleck said, "I have never seriously considered running for elective office nor have I ever participated in meetings to that end."

□

Mother Teresa turned 87 Tuesday to the cheers and applause of hundreds of school children and aid workers who gathered at the headquarters of the charity organization she founded in Calcutta's slums.

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